FOREIGN AFFAIRS

AN AMERICAN QUARTERLY REVIEW

APRIL 1958

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Published quarterly by Council on Foreign Relations, Inc. Printed at 10 McGovern Ave., Lancaster, Pa. Editorial and Business Offices, 58 East 68 Street, New York 21, N. Y. Cable address, Foraffairs, New York. Subscriptions, $6.00 a year, post free to any address. The Editors will consider manuscripts submitted, but assume no responsibility regarding them.

Vol. 36, No. 3.

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FOREIGN AFFAIRS

Vol. 36 APRIL 1958 No. 3

THE ILLUSION OF DISENGAGEMENT

By Dean Acheson

THE other day I was re-reading Clarence Day's wise and delightful book, "This Simian World," and came across the paragraph remarking on what unpromising entrants in the struggle for supremacy on this planet the lemurs might have seemed many millions of years ago. "Those frowzy, unlovely hordes of apes and monkeys," he wrote, "were so completely lacking in signs of kingship; they were so flighty, too, in their ways, and had so little purpose, and so much love for absurd and idle chatter, that they would have struck us . . . as unlikely material. Such traits, we should have reminded ourselves, persist. They are not easily left behind, even after long stages; and they form a terrible obstacle to all high advancement."

It does seem to be true that, in our day, only in a sort of cyclical way do free societies retain an understanding of their own experience, and hold to the purposes which it has inspired. Is this because some echo of those early traits still persists, or because the inevitable hardening of the arteries of each generation brings on some failure of memory, or for still other reasons?

Certainly moods change as memories, once fearful, become dimmed, as new anxieties arise, and as present exertions become increasingly distasteful. The bitter teachings of 1914–1918, and the determination they fired, had quite disappeared by 1938, to be replaced by ideas of neutralism, withdrawal from conflict, "America First." After these, in turn, were swept away by the devastation of another world war and by a display of world leadership entailing vast national effort, another 20 years has ended by bringing back the old yearnings and errors under a new name. "Disengagement," it is called now; but it is the same futile—and lethal—attempt to crawl back into the cocoon of history. For us there is only one disengagement possible—the final one, the disengagement from life, which is death.

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Soon after we had awakened from the daze of the Second World War, it became clear to us that our protected adolescence as a great Power was over. The empires which had spawned us, whose capital had developed us, whose balance of power had given us security, either disappeared in the two world wars or passed to more minor rôles. We were face to face with the responsibility of adult national life in the most critical situation imaginable. A world which for a century had had an integral life of sorts was split into three segments. One—the Soviet-Communist segment, militarily unequalled, except in nuclear power in which it was weak, was held together by an ideological and economic system supported by force. Another—containing the vast populations of Asia, the Middle East, and North and West Africa—was left in confusion and turmoil at the end of the war; and, in addition, either had newly gained national independence or was demanding it from rulers gravely weakened. To these people had come also expectations of an improving life to a degree never before imagined and, perhaps, unfulfillable.

The third segment was what was left of the old world order—roughly Europe and the Western Hemisphere. The second and third segments had certain important common characteristics. They were not in the Soviet power system. But various and large parts of them could, under some conditions, be added to it.

In this situation, as it appeared not long after the end of the Second World War, the task of what has since come to be called the Atlantic Community, that is, the states of Western Europe and the Western Hemisphere, was to bring about and maintain with increasing strength and vitality a non-Communist world system. Within this system, not only the states mentioned, but those in the second segment as well, should, if the system was workable and working, be able to pursue their national ends in their own way.

This effort required, at the beginning, a great deal of reconstruction, particularly in Europe. The only state strong enough to furnish the leadership in this effort was the United States. Both its government and its people responded vigorously to the press of necessity. The steps which were taken are well known and need not be recalled here. The important thing is that they were successful in bringing about a common sense of purpose, certainly in Western Europe and the Western Hemisphere, and to a large extent were effective in giving opportunity to those

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nations in Asia and Africa which were just coming to the point where they were free to pursue their national destinies undirected from the outside.

Since the war, therefore, the foreign policy of the United States has become, by necessity, a positive and activist one. It has been one of attempting to draw together, through various groupings, that Western area which must be the center of a free and open world system, and of taking the leading part in providing it with military security, and with a developing economy in which trade could grow and industrial productivity could be developed, both in areas which were already industrially advanced and those which were at the threshold. At the same time it was an essential part of this policy to produce the maximum degree of cohesion throughout the whole non-Communist area, through political policies which would make for integration and strength rather than for exploitation.

Various aspects of this effort—the military, the economic, the political—I have attempted to describe in some detail elsewhere. I have there pointed out the interdependence of the Western Hemisphere and Western Europe; how the power factors involved make it essential that this part of the world shall stand firmly united; how, without the American connection, it is impossible to maintain independent national life in Western Europe; and how, without Western Europe, the power factors would turn disastrously against the United States.

Broadly speaking, these conceptions have for the past decade or more had wide acceptance both in this country and throughout the Western world. They have been successful beyond the dream of those who first advocated them. They are beginning to bear the most valuable fruit.

Recently, efforts have been relaxed. Our military security and much of our prestige resting upon it have been impaired, though not so far that vigorous action cannot make the necessary repair. But, throughout the world, as I indicated at the beginning of this article, voices are being raised to ask whether it is necessary to continue facing the hazards of the military situation, to continue bearing the expense of making vital and progressive the economic life of the whole free world; whether coexistence with the Communist system cannot be bought at a cheaper price and with less effort. And so, when people are told, as they have been by Mr. George Kennan, a man of the highest character and

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reputation and justly entitled to a respectful hearing, that this is possible, his words have a powerful impact.

Mr. Kennan's views are not new to him. They do not spring from a fresh analysis of the current situation. He has held and expressed these views for at least a decade. The effect which they have had currently makes us realize anew that the reception given to the expression of ideas depends upon the mood of the hearers. This reception may have little to do with the truth of the ideas expressed; it has a great deal to do with their power. Mr. Kennan has told people what they want to hear, though not because they want to hear it. What is it that he has said?

The ideas are almost as vague as the style is seductive. The thoughts are expressed as musings, wonderings, questionings, suggestions. But what comes out of it is about this: First, there is the idea of disengagement in Europe. By this is meant mutual withdrawal of American, British and Canadian, as well as Russian, forces from somewhere. This somewhere first appears to be East and West Germany; then the "heart of Europe;" again, the Continent; and sometimes, from the general ethos of the discussion, it appears to be all overseas areas.

The second idea is the neutralization of Germany. The third is that there should be no nuclear weapons in Europe. And the fourth is that throughout Asia and Africa, in what are called the "uncommitted areas," there is little "to be done . . . except to relax;" that "It is perfectly natural that Russia . . . should have her place and her voice there too;" that "our generation in the West" has no "obligation vis-à-vis the underdeveloped parts of the world," and, anyway, there is no "absolute value attached to rapid economic development. Why all the urgency?" If any sound schemes for development are presented, we should support them, "when they arise;" but, only on the condition that they tell us first "how you propose to assure that if we give you this aid it will not be interpreted among your people as a sign of weakness and fear on our part, or of a desire to dominate you." If Asian and African states should find in this grudging, meager and humiliating policy no opportunity to push their economic development within the non-Communist system, and should turn to Communist methods and Communist help, we should accept their action without concern and with good nature.

One sees at once that these conceptions are the very opposite of those which the West has been following for the past ten years

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or more. It is an assertion that the struggle naught availeth; that it is dangerous, unwise and unproductive. It is a withdrawal from positive and active leadership in the creation of a workable system of states. It is a conception, blended of monasticism and the diplomacy of earlier centuries, by which the United States would artfully manœuvre its way between and around forces without attempting to direct or control them.

If we attempt to analyze these suggestions, the problems which they create promptly emerge. First, let us consider the idea that something called disengagement can be brought about by removing American, British, Canadian and Russian troops from some area in Europe. What disengagement does this bring about? Very little, as one sees if one pauses to consider the realities. Compare the confrontation which takes place between the United States and the Soviet Union in Germany with that which occurs along the DEW line—that system of early warning stations which stretches from Alaska, across the Arctic regions and far out into the Atlantic. Here there are daily contacts on a thousand radarscopes, and doubtless the same is true on the other side of the screen. Some of these blips on the radar are actual aircraft; sometimes atmospheric conditions produce them. But they represent a contact which no action in Germany can disengage. There is confrontation in every part of the world where the area of the open and free world system may be reduced by Soviet military, economic or political penetration. No action in Germany will produce disengagement here. The word is a mere conception, which confuses and does not represent any reality.

So, let us turn from it to consider something more capable of delineation. For instance, exactly what is the extent of the mutual withdrawal about which we are asked to negotiate? The answer to this question does not depend upon penetrating the vagueness of Mr. Kennan's language. For there can be little doubt, I believe, that, once a withdrawal begins, it will be complete, so far as United States, British and Canadian troops are concerned. All the forces, foreign and domestic, will combine to bring this about. As the withdrawal makes the military position weaker, our forces will be less desired wherever they may remain. If withdrawal is represented as advantageous for Germans, it would seem equally advantageous to Frenchmen. Icelanders, Moroccans, Saudi Arabians and the rest would quickly follow. And, once the idea caught hold, Americans would, of course, join in the

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general demand. The *New Statesman* shows us how the matter is now being presented to a small section of British opinion and how it could bemuse a still larger one in that country:

> Yet the missile agreement is one of the most extraordinary and complete surrenders of sovereignty ever to be made by one country for the exclusive benefit of another. For the missiles are not intended to defend Britain; on the contrary, they decisively increase its vulnerability. Their prime purpose is to reduce the likelihood of a Soviet ICBM onslaught on America during the crucial three-year period which must elapse before America possesses ICBMs herself. The sole beneficiary will be America.[1]

We should not deceive ourselves. After disengagement, we would soon find ourselves discussing complete withdrawal from all European areas and, very possibly, from bases in the Far East and Near East as well. Indeed, Mr. Khrushchev has twice served warning, once in Berlin in 1957 and again in January of 1958, that the sort of withdrawal which he is talking about is withdrawal from all overseas bases. This would cut the striking power of the free world by at least a half, and, perhaps, until our missile program accelerates, by much more.

We must think of what we purchase for this vast price. What would Russian withdrawal from Germany or the heart of Europe amount to? Is it possible to believe that the Soviet Government, whatever it may say or whatever agreement it may sign, would, or could, contemplate withdrawing its forces behind, say, the River Bug, and keeping them there? And, by forces, I mean effective Russian physical power, by whatever name called. It is hard to see, after the events in Poland and Hungary, whatever the Russian Government might wish, how it could possibly undertake so hazardous a course. For, if its physical force were permanently removed from Eastern Europe, who can believe that even one of the Communist régimes would survive? Therefore, wherever Soviet forces might be garrisoned, the expectation and threat of their return must continue to be ever present (at most it would require from 12 to 18 hours) if Russia is to maintain the power which it has insisted upon as recently as the Hungarian uprising.

At this point in our discussion we must examine the conception of the neutralization of Germany; and then bring together the consequences of withdrawal and neutralization. It is necessary, we are told, that Germany should not be allowed to be free to choose its own course after unification. It must accept limitations

[1] "Britain's Suicide Pact," *New Statesman: The Week-end Review*, January 4, 1958, p. 1.

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upon its military forces and its military alignment. In other words, its national life will be conducted under far greater limitations than those in which other sovereign people live. The possibility that any such situation could endure seems to me quite fantastic.

Whatever Germans might initially think they would be willing to do, there is no precedent in history for, nor does there seem to me to be any possibility of, the successful insulation of a large and vital country situated, as Germany is, between two power systems and with ambitions and purposes of its own. Constant strain would undermine the sanctions of neutralization. The final result would be determined by the relative strength of the pressures from the two sides. As I have already suggested, the pressure would all be from the Russian side. For, there would be no Power in Europe capable of opposing Russian will after the departure of the United States from the Continent and the acceptance of a broad missile-free area. Then, it would not be long, I fear, before there would be an accommodation of some sort or another between an abandoned Germany and the great Power to the East. Under this accommodation, a sort of new Ribbentrop-Molotov agreement, the rest of the free world would be faced with what has twice been so intolerable as to provoke world war—the unification of the European land mass (this time the Eurasian land mass) under a Power hostile to national independence and individual freedom.

But, without this withdrawal of forces and the neutralization of Germany, Mr. Kennan sees "little hope for any removal of the division of Germany at all—nor, by the same token, of the removal of the division of Europe." Naturally enough, these words have found a strong echo in Germany. But it is a fading one, as Germans ponder the conditions which would flow from unification by withdrawal and neutralization, and see the end of the best hopes of the German people. Two weak states—East and West Germany—jockeying for position in a sort of no-man's land, could raise the East-West "tensions" to a point compared to which anything we have yet experienced would seem mild indeed. In all this West Berlin would, of course, be the first victim. It would be a wholly inadequate judgment upon those whose naïveté and weakness produced this result that they should share the guilt of those Western politicians whose preaching of "liberation" encouraged the uprisings in East Berlin and Hungary,

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and, like them, should sit in supine impotence while more gallant men suffered. The best hope for German unification I shall mention shortly.

Turning to Eastern Europe, Mr. Kennan sees those countries, without the withdrawal of Russian troops, caught between the dilemma of constant revolutions, bloodily suppressed, and the acknowledgment of Soviet domination. This view seems to me founded on nothing but its assertion. I cannot for the life of me see how the movement toward a greater degree of national identity in Eastern Europe is furthered by removing from the Continent the only Power capable of opposing the Soviet Union.

Nor do I see that the facts bear out Mr. Kennan's gloomy predictions. For instance, if the experience of 1956 had produced only the development in Poland or if the Hungarians had acted with as much restraint, it would have been plain to all that the attraction of the power of the West, of the possibilities which its system opens to all, was proving very strong indeed—stronger even than the secret police and Soviet occupation troops. The fact that in Hungary the reaction was pushed to the point where the Russians felt it necessary to suppress it with force proves only that it was handled unwisely.

So, as we think about the matter, we must wonder whether there is anything we can purchase "one-half so precious as the goods" we sell. We are told not to worry about this; that, even though it seems quite unlikely that the Russians would carry out any withdrawal, nevertheless, it is good propaganda to make the offer and cause them to refuse it. This seems to me profoundly false. In the first place, it treats international negotiations as though all the figures on the chessboard were made of wood or ivory; whereas, in fact, we are dealing with living people, subject to all the emotions of mankind. If I were a European and had to live through two or three years of American negotiations about withdrawing from the Continent, I think that very early in the game I would discount America's remaining and would prepare to face a new situation. Furthermore, to believe that the Russians can be put in the position of refusing to evacuate Europe underrates their skill in negotiation. They would simply, as they have already done, continue to raise the price. And it would be we and not they who would do the refusing.

The evils of a timid and defeatist policy of retreat are far deeper than its ineptness as a move in the propaganda battle. It would

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abandon the efforts of a decade, which are bringing closer to realization the hopes of Western Europe, of Germany, and of Eastern Europe as well. From the low point of 1946–1947 the economic, social and political health and strength of Western Europe—of which West Germany has become an integral and vital part—have grown greatly. Their pull on Eastern Europe continues to mount. To continue this the American connection is essential. The success of the movement toward unity in the west of Europe is no longer in doubt. Only the rate of progress is undecided. The Coal and Steel Community, Euratom, the Common Market have been accepted. A common currency and political community are on the way.

All of this is threatened by the call to retreat. It will not do to say that a united Germany, made militarily impotent and neutralized, can play an effective part in bringing to fruition a united and vigorous European community. The slightest puff of reality blows this wishful fancy away. The jockeyings and tensions of the two parts of Germany, the unopposable threat of Russian power, the bribes which can be dangled before Germany by the Soviet Union in the form of boundary rectifications and economic opportunities—these alone are enough to put an end to hope of a united and strong Europe, invigorated by Germany.

For those who believe that Eastern Europe would welcome American and Russian troop withdrawals as the beginning of liberation, I suggest a quiet sampling of candid Polish opinion. I venture to predict that what they would find is a horror at being abandoned by the West and left between the Soviet Union and a Germany similarly abandoned, to which the offer of another partition of Poland might be irresistible.

But, if one looks at the other side of the medal, what a different face it bears! A strong, united Europe could have the men and the resources—along with British and United States contingents—to deal by conventional forces with invasion by conventional forces, particularly as the Eastern European satellites are becoming a danger, and not an asset, to Soviet military power. This, if pressed, gives real mutuality of benefit to a negotiated reduction in forces. It makes possible, too, a time when nuclear forces would no longer have to be relied on as a substitute for conventional forces, and with it a real opportunity to negotiate this threat further and further into the background.

Finally, a thriving Western Europe would continue its irresisti-

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ble pull upon East Germany and Eastern Europe. This would, in turn, have its effect upon the demands of the Russian people on their government. With a rise in the standards of living in the Soviet Union, and as some broader participation in the direction of affairs was made essential by their very magnitude and complexity, the Russian need for the forced communization and iron control of Eastern Europe would diminish. Then negotiations looking toward a united Germany, under honorable and healing conditions, and toward the return of real national identity to the countries of Eastern Europe, while preserving also the interests of the Russian people in their own security and welfare, could for the first time be meaningful and show the buds of hope. This has been the goal of Western policy for the past decade.

It would be self-delusion to close our eyes to the difficulties which lie before us along this road. Some we have created ourselves. Our military strategy, with its sole reliance on massive retaliation, and a budgetary policy which has neglected even that, have caused us a loss of relative military power and of prestige. Some of our political policies have weakened our alliances. Our allies, too, are having their troubles. In what are perhaps the two closest of them, we could wish (as they undoubtedly do, too) that both the present and the immediate future held greater promise for the development of strength and popular attitudes more attuned to reality. We all share together the common problem of devising a military policy for NATO which will avoid making the proposed defense seem as fearsome as the potential enemy's threat, and which will be a real deterrent because it is a credible one.

I have suggested elsewhere that this is possible. Briefly, the way is to create a situation in fact which equals the political purpose of the North Atlantic Treaty—that is, a situation where in order for the Soviet Union to attack, or coerce, Europe it would have to attack, or coerce, the United States as well. This, if we all use a fair degree of intelligence about our defenses, the Soviet Union could be deterred from doing. What is required is a short-range effort which does not preclude a sustained effort toward a wiser long-range goal. The short-range effort would be to provide NATO with such effective nuclear power that the Soviet Union could not have its way without destroying that power; and an attempt to destroy it would be impractical apart from a simultaneous attempt to disable the United States, which could be

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made too dangerous. The longer-range purpose would be to develop adequate conventional forces in Europe, with British and American participation, to make mutually desirable a real reduction and equalization of both Soviet and NATO forces and a controlled elimination of nuclear material for military use.

I quite understand that all of this is difficult. But I believe also that "the mode by which the inevitable comes to pass is effort."

Finally, Mr. Kennan's discussion of the uncommitted countries of Asia and Africa seems to me to disclose a complete lack of understanding of the forces which are at work there. In the first place, he would like to tell them, as Thoreau would have done, that the whole march of industrial civilization since the beginning of the nineteenth century has been a mistake; that they must be patient about increasing their standard of living; that they must curb the mad rate at which they reproduce; that we have no sense of guilt or obligation to them because we are in a position to help their economic development as our own was helped. But when they have any sound plans, we will consider them on terms which they cannot accept. This means that we find nothing to our interest in their industrialization; and that they are in reality ward heelers who threaten one political side with desertion to the other unless they receive a handout or a sinecure.

Nothing could be further from the truth. These governments are faced with a demand, just as are the Government of the United States and the Government of the Soviet Union, that conditions shall exist under which a rising standard of living is possible. The conditions in these countries vary from those which are still deep in an agricultural stage to those which have begun industrialization and are ready, once capital is available, to push it speedily forward. Governments cannot stay in power unless they respond to the demands of those who will keep them there. Even the oligarchs in the Kremlin are under pressure, which they cannot altogether refuse, to expand the standard of living in Russia.

There are two ways in which the governments of the undeveloped countries can bring about conditions which their peoples demand. Both of these involve acquiring capital, but under very different conditions. One involves the adoption of totalitarian authority, a temporary depression of the standard of living,

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forced savings, and industrial equipment from Russia, paid for by the export of raw materials. The other involves the maintenance, and perhaps a steady expansion, of the standard of living, the maintenance of systems of government in which there is a considerable area of freedom, the import of capital from Western Europe and North America, and the repayment of these loans over a considerable period of time by participation in the expanding trade of an open economic system. To say that economic development has nothing whatever to do with political alignment is a fallacy of the gravest sort. It is, of course, true that economic aid cannot force, cannot ensure, a political alignment from any country. But it is certain that, without it, a different alignment will take place.

May I conclude by repeating that the new isolationism which we have been discussing, and the reception it has received, is gravely disturbing, not only because it is utterly fallacious, but because the harder course which it calls on us to forego has been so successful. If one compares the non-Communist segments of the world today with what they were 12 years ago, one sees enormous progress. If one compares, as we have tried to do here, the pull of a vigorous free system, held together by the joint efforts of at least some of its members to provide military security, economic power and political leadership, one sees how strong it is and what effect it has had. If one considers the changes which have already occurred within the Soviet Union, one can see the time approaching when adjustments in Eastern Europe are possible, when military forces can be reduced, and when the menace of nuclear destruction will be greatly diminished, if not removed. Surely, there are dangers, and great dangers, but with good sense we can live through these. We will not make them less by weakening ourselves, destroying the confidence of our allies, and refusing to help those people who are willing to work to some extent, at least within the system which we and our allies, together, have created and can make ever more vigorous and appealing.

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MISSILES AND THE WESTERN ALLIANCE

By Henry A. Kissinger

THE launching of the Soviet earth satellite and the approach of the missile age have produced a remarkable debate within the free world and particularly within the Western Alliance. All the evasions of the past decade—the inability to develop a strategy for NATO that is meaningful to all its members, the oscillation between a mechanical intransigence toward the Soviet Union and an equally mechanical conciliation, the penchant for trying to combine maximum security with minimum commitment—had inevitably to produce a sense of frustration in which almost any change of course would seem preferable to continuing on the present road.

Ever since our atomic monoply ended we have been reluctant to face the fact that a time would come when the ability of the two major Powers to devastate each other might cancel itself out —at least with reference to most issues in dispute. The freezing of the status quo in Europe essentially along the lines of the furthest Soviet advance in 1945 was bound to produce resentment or despair in the countries most immediately affected—in Germany with respect to unification and in the East European satellites with respect to regaining a measure of independence from Soviet domination. The disappointments of the postwar period required only a symbol in order to coalesce in protest against a policy which had come to seem sterile, in part, at least, because reality had fallen so far short of expectations.

Unfortunately, a great deal of the reaction to the approaching missile age exhibits many of the symptoms which produced the crisis in the first place. The mechanical approach to strategy which has characterized our thinking in the Western Alliance has gone from the extreme of asserting that *every* Soviet challenge could be countered with the threat of maximum frightfulness to the opposite extreme of maintaining that *every* Soviet technological advance makes us totally vulnerable. Some critics of existing policy on both sides of the Atlantic have insisted that the Soviet technological achievement has made our continued existence dependent on Soviet good will.[1] Others argue that,

[1] *New Statesman: The Week-end Review*, January 4, 1958, p. 1.

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since the United States now is more dependent on her allies than they on her, the European members of NATO should not only refuse to accept missile bases, but should drive a hard bargain with the United States "while the sun is shining."[2] Thoughtful persons, identifying the symptom with the cause of the rigidity, are calling for disengagement and a neutral belt in Europe.[3] Opposition leaders draw hope from an assumed change in Soviet motives, claiming that the increase in Soviet technological prowess is more than compensated by a transformation of Russian society which offers prospects of a more peaceful policy.[4]

Unquestionably, Western policy must develop more dynamism if we are not to be engulfed by the revolutionary changes occurring all over the globe. But many of the premises on which suggested policy revisions have been based are extremely disquieting. And although the present impasse in Europe may be frustrating, some of the proposals to overcome it could produce an explosion with which we are ill-prepared to deal.

II

Central to the mounting criticism of American policy in Europe is the assumption that Soviet technological progress has placed the United States at a fundamental if not hopeless disadvantage. "The Gaither Report," wrote a British journal with strange relish, "has revealed that, irrespective of any efforts which America may now make, the Soviet preponderance in advanced weapons has reached such an absolute stage that America's national survival will depend, until 1961 at least, on 'Russian benevolence.' "[5] As a result, so the argument goes, the establishment of American missile bases in NATO is of primary benefit to the United States, spreading the risks without adding to the common security. "Hitherto I have always thought that the principle of an alliance was that it gave greater protection to ourselves," said a speaker in the House of Commons. "On this occasion with these rockets we are clearly inviting the risk of attack in some way and we are giving a one-sided protection to the United States."[6]

[2] Geoffrey Barraclough, "Who Won at NATO?," *The Nation,* January 4, 1958. See also comments of Mr. Gaitskell in the House of Commons, February 19, 1958.

[3] George F. Kennan, The Reith Lectures, *The Listener,* December 5, 1957; Denis Healey, *A Neutral Belt in Europe,* Fabian Tract 311.

[4] Comments by Aneurin Bevan, *The Times* (London), October 2, 1957.

[5] *New Statesman, op. cit.*

[6] Viscount Hinchingbrooke, M.P., *Hansard,* No. 408, p. 806.

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These arguments reveal a deep-seated confusion between deterrence and the strategy for the conduct of war in case deterrence fails; between vulnerability and strategic inferiority; and between a temporary strategic inferiority and the consequences which are likely to flow from it.

Ever since our atomic monopoly ended, the threat relied on by the Western Alliance to deter Soviet attack has grown increasingly inconsistent with the strategy which the alliance is prepared to implement if deterrence fails. The often-repeated statement that the military policy of the alliance was designed to prevent a war and not to fight it begged the principal question: What is the effectiveness of a threat which, if carried out, involves catastrophic consequences for friend and foe alike? Heretofore, the belief in United States preponderance had lulled us and our allies into evading this issue. Strategy was identified with the maximum development of strength and the problem of bringing power into some relationship with the willingness to use it was ignored. Because the Strategic Air Command, the retaliatory force, had been outside NATO control, the Western Alliance took on some of the characteristics of a unilateral guarantee. Our allies have seen little significance in a military contribution of their own beyond furnishing facilities; indeed, they have had a strong incentive to keep the proportion of our troops to theirs as high as possible in order to ensure that a Soviet attack would in fact unleash our Strategic Air Command. The approaching missile age, therefore, does not so much alter strategic relationships as make them explicit. It has raised the specter that the deterrent threat may have to be implemented. It has forced our allies and ourselves to face the issue of what constitutes a viable NATO strategy.

Looking at the problem from the point of view of deterrence, the advocates of missiles for Europe consider that the greatest possible dispersal of advanced weapons would be the most effective sanction against the outbreak of a war. Looking at the actual conduct of a war, the critics of NATO strategy are above all concerned with banishing military operations from their own countries. This produces the ironical situation in which measures designed to deter an attack on the strongest member of the alliance are held to be of benefit to that member alone. Though there can be no security for our allies without the United States, many Europeans paradoxically feel that it is not necessarily in their

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interest to do what they can to assure the security of the United States.

Both the proponents and the critics of missile installations in Europe are misled by their absolutist approach: the advocates because they propose to use the same deterrent for every type of challenge; the opponents because they claim that the rejection of missiles amounts to an avoidance of all risks. Reluctance to face the ravages of nuclear war is certainly understandable; but there can be no doubt that *all* countries would suffer severely from an all-out nuclear exchange between the United States and the U.S.S.R. Neutrality may seem preferable to participation in a United States-Soviet showdown; but it is even more in the interest of our allies to help see that this showdown is avoided altogether. And the fact is that in seeking to escape the consequences of a war, the opponents of a missile strategy may weaken the deterrent to the extent that aggression is encouraged.

The dilemma is real; it cannot be resolved until there is a clearer understanding of the impact of missiles on strategy. The tendency has been to equate vulnerability with strategic inferiority and to equate a temporary inferiority with a Soviet capability to deliver an overwhelming blow. Neither postulate is correct. The growing Soviet capability in medium and intermediate-range missiles hardly adds to the vulnerability of Western Europe, all of which has been exposed for some time to Soviet short and medium-range bombers. As for the United States, we were vulnerable before sputnik, and the degree of our vulnerability is certain to grow. But we shall be in a position of strategic inferiority only if the Soviet Union should develop missiles of such accuracy and in such numbers that it can wipe out our retaliatory force, either of planes or of missiles, or if the Soviet Union should develop an air defense of such potency that it could reduce our counterblow to acceptable levels. Neither contingency is in prospect in the immediate future. Whether either does come about depends on the intensity of our effort. Meanwhile we should not make our deficiencies seem greater than they are by comparing future Soviet capabilities with present United States strength.

At present the Soviet Union does not possess operational intercontinental missiles in quantity. We therefore have time to close the gap if we act energetically and courageously. When the Soviet Union brings intercontinental missiles into production they are

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unlikely to exist in sufficient quantity and with an adequate degree of accuracy to knock out our Strategic Air Command, even assuming (what is by no means a foregone conclusion if we act effectively) that the Soviet Union will maintain its lead throughout this period. By the time the Soviet Union possesses accurate intercontinental missiles in quantity, our missile force should be well developed and it will continue to be supplemented by our still potent Strategic Air Force. Some time later, both sides will possess well-dispersed missile forces in a high state of readiness.

But even should the Soviet Union achieve a slight superiority during any of the phases described above, an all-out surprise attack is unlikely. Even an inferior retaliatory force can deter if it has the capacity of exacting a price the opponent is unwilling to pay. No nation will fight a war for the privilege of inflicting greater damage than it suffers itself if the degree of that suffering threatens to be intolerable. To launch a surprise attack, Soviet planners would have to be reasonably certain that they could avoid devastating damage in return; and their calculations would have to be almost foolproof. Even a high probability of success would not warrant risking national catastrophe.

To be sure, even if we make a major effort we shall not find it easy to keep up with the Soviets, especially as we must protect ourselves against a wide variety of dangers while they can concentrate on their most effective weapon. Moreover, even in an age of "missile plenty" the nature of the missiles themselves will give a distinct advantage to the aggressor. The "count-down" in present missiles—the interval between the decision to fire and the actual launching—is several hours. An attacking missile is in transit for less than half an hour. In their present state of development missiles are therefore more effective as offensive weapons than as weapons of retaliation. Until we are able either to reduce radically the time it takes to ready our retaliatory missiles or unless we can make our missile installations invulnerable to all but a direct hit, an aggressor may calculate on an advantage from a surprise attack whatever the state of our missile development. This will be particularly true if, as a by-product of its offensive missile program, the Soviet Union develops a highly effective defense against manned planes, which must remain the backbone of our retaliatory force until the reaction time of missiles is drastically reduced.

The side which is on the defensive in an all-out war therefore

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requires a more advanced missile technology and more secure installations than the aggressor. The aggressor can afford a "count-down" of several hours because the war will start only with his attack. His installations can be more vulnerable because the missiles will have been fired before a return blow is launched. The side which is on the defensive cannot therefore be content simply with staying even. We must make a major effort to shorten the reaction time of our retaliatory force and to make it as invulnerable as possible by dispersing it, protecting its installations and giving it mobility. Difficult as this task may be, we still have the power to achieve it. If the Soviet Union ever attains such a margin of superiority that it feels it can risk a surprise attack, we shall have only our own failings to blame.

Thus the approaching missile age will have implications for our alliances precisely opposite from those alleged by many of our European critics. Once we possess intercontinental missiles in quantity, our allies will no longer be indispensable in an all-out war. Missile installations in Europe would be essential to us in a final showdown only if there were to be a long interval between our development of intermediate-range (1,500-mile) missiles and production of intercontinental missiles and if, meanwhile, our Strategic Air Force became useless. This is highly unlikely. Our retaliatory force of manned planes will remain a potent force for some time, and the Soviet Union will not soon possess sufficient long-range missiles to risk a showdown. This is not to say that the presence of 1,500-mile missiles in Europe would not increase the factor of deterrence against all-out war. They would add dispersed strength to the striking power of the Western Alliance and thereby render a successful surprise attack more difficult. But 1,500-mile missiles in Europe are more an added advantage than a necessity for fighting an all-out war.

III

The real case for missile installations on the Continent is quite different. They are required not for the defense of America but for the defense of Europe. They are essential for the very reason that Europeans are reluctant to accept them: because with the increasing speed and destructiveness of weapons *every* country will be reluctant to risk its existence for anything except the most direct challenge to its survival. If Europe is reluctant to participate in an all-out war for the defense of the United

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States—the only meaningful rationale for rejecting missile bases —so will the United States be reluctant to risk total destruction for the defense of Europe. Our NATO allies should have every incentive to help develop a strategy which does not force the United States to have to choose between all-out war and inaction in the defense of Europe.

Rather than consider the American offer of missiles as designed for our exclusive benefit, our European allies should understand that it represents the only means by which Europe can gain a degree of influence over its future. A strong military establishment within Europe and under European control is more than ever essential, less to deter an attack on us than to pose a meaningful sanction against an attack on Europe. Refusal to accept missiles will only increase Europe's dependence on the United States. If the United States assumes the sole responsibility for the defense of the free world, it will also assume the responsibility for defining the *casus belli*. The decision on how to react to aggression even in Europe would no longer be a European one. As the United States grows more vulnerable, fewer and fewer objectives will seem "worth" an all-out war. Even Europe may not appear important enough, particularly against challenges which are limited or ambiguous. And, given the destructiveness of modern weapons, any attack which is explicitly less than all-out is inherently ambiguous. In time, this situation could bring about what many Europeans fear most—direct negotiations between the United States and the U.S.S.R. from which Europe is excluded.

If Europe is not to renounce the possibility of influencing its destiny, it must be able to resist increasingly bold and explicit Soviet threats at least partly with its own resources. It may be argued, of course, that an attack on Western Europe would be a challenge to which the United States would have to respond with all-out war whatever might be the military contribution of its allies. In fact, this conviction has been the central reason for NATO's lagging military effort even before the missile age. But a war "over" Europe need not necessarily take the form of an attack *on* Europe. On the basis of past performance, the risk of a Soviet attack designed to overrun *all* of Europe is less than that of local encroachments aimed to demonstrate the impotence of NATO and reduce its diplomatic effectiveness. The greater the disparity in strength between Europe and the U.S.S.R. and the greater the vulnerability of the United States, the bolder

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Soviet policy towards our allies is likely to become. To the extent that Europe possesses a military establishment under its own control capable of resisting a wide range of challenges, it will gain confidence to resist Soviet pressures. The stronger the local deterrent the less likely it will be that certain kinds of threats will be made at all.

In short, a refusal by our European allies to accept missiles will increase NATO's reliance on the deterrent of all-out war at the same time that the consequences of massive retaliation weaken the will to resist. On the other hand, the willingness to resist Soviet encroachments will be increased if a maximum number of alternatives is created between surrender and a war which may appear suicidal. Since the object of deterrence is to pose a risk to the aggressor out of proportion to the objective to be obtained, local forces in Europe would perform a vital function even if they could not withstand *every* scale of Soviet attack. Sweden and Switzerland maintain substantial military establishments. Their purpose is not primarily to defeat a major Power which might attack—for this they are quite inadequate—but to exact a price a potential aggressor is unwilling to pay. Similarly a substantial military establishment on the Continent would do much to deter rash Soviet adventures. At the very least it could force the Soviet Union into a scale of military effort which would remove any ambiguity about its ultimate intention and thus make it easier to invoke the sanction of all-out war. Even if one argues that any Soviet attack on Europe would ultimately lead to all-out war, it does not necessarily follow that a defense of Europe should *begin* with such a strategy. Since an all-out war would threaten the survival of mankind, it should be invoked only as the last resort; we must have other means for countering Soviet moves.

But will not the possession of nuclear weapons and missiles increase Europe's vulnerability? May they not bring on the attack they are supposed to avoid? The problem is not as simple as some of the opponents of a missile strategy make it appear. Those who oppose missile sites in Europe imply that if there were none Western Europe might be able to remain aloof from a United States-Soviet showdown. This is not a heroic assumption, but it may be a tenable one. It illustrates the degree to which our allies have relied on our Strategic Air Command as the chief deterrent and major weapon in case of war. To many of them, the proposal to give missiles to NATO therefore seems to involve

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them in a strategy which heretofore gave them protection without their own direct participation.

It may be, however, that in the event of an all-out war the Soviet Union would rate the chances of European neutrality sufficiently high to avoid attacking European bases, the more so as they would not be a decisive element in such a conflict. In case of a local attack in Europe—a more likely contingency—missile installations would, of course, be a primary target. But the vulnerability they create would not be inherently different from that of the many airfields, supply depots and other military installations which NATO has already established. It cannot be denied that missiles, because of their strategic importance, might receive special attention. But surely our allies will not argue that only military installations which have no significance in either all-out or limited war should be permitted on their territories.

But why missiles? Could it not be argued that a defense of Europe even with nuclear weapons in case of need is one thing, the installation of missiles quite another? "Intermediate range ballistic missiles . . ." writes a British author, "cannot by any stretch of the imagination be called defensive weapons. They are weapons of retaliation which add nothing to the security of the countries housing them but evidently add greatly to their perils. Armed with 1,500-mile missiles, in other words, NATO automatically . . . becomes an offensive alliance."[7]

It is not self-evident that a weapon capable of retaliating against the aggressor's homeland transforms a defensive alliance into an offensive one. Even with a major missile establishment of limited range, Europe could not defeat the Soviet Union totally. And given the vulnerability of densely populated Europe to Soviet retaliation it would be such folly for NATO to unleash an aggressive war that not even the Kremlin could take this prospect seriously.

As the Soviet missile force grows, the threat or the actuality of missile attacks will become an ever more potent weapon to neutralize Europe or to force it into submission. From the Suez crisis to that over Syria, warnings of missile attacks have played an increasing rôle in Soviet diplomacy. Missiles in Europe under European control are important partly to resist aggression in the ordinary sense; they are even more vital to deter or resist the threat of missile attacks.

[7] Barraclough, *op. cit.*

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IV

The real argument about missile installations in Europe thus turns less on the nature of the weapon than on the strategy which underlies it. Before any real progress can be made in NATO strategy, *all* allies will have to realize that their increasing vulnerability causes the threat of all-out war to become an increasing obstacle to decisive action. The chief bar to the development of an effective NATO strategy has been reluctance to accept the fact that some of the most likely challenges in Europe, if not dealt with locally, are not likely to be dealt with at all. Our European allies have been unwilling to face the prospect of a local defense because they have been unwilling to make the effort it requires and because they feared that, once they admitted the possibility of less than all-out American participation, we might withdraw altogether. We in turn have been prevented from pressing the issue of local defense partly by the absolutism of our own military doctrine and partly by the fear that to do so would weaken the confidence of our allies.

But this evasion of reality can become demoralizing. A mere commitment to all-out defense will only create an impasse if no partner is prepared to face the consequences. Our allies have a right to insist on American participation in their defense; they should not be permitted to prescribe a course of action which involves the most catastrophic risks, the more so if this strategy reduces their willingness to resist the most likely challenges. A local deterrent in Europe is required to increase the range of our options, and to bring the deterrent policy of NATO into line with the strategy it is prepared to implement. A strategy of local defense is essential not as a device to save the alliance—though it will serve this purpose; rather, the alliance alone offers the possibility of a strategy which does not inevitably involve catastrophe.

If European missile forces are to be designed primarily for local deterrence, they should not be under United States but under NATO control, and they should fit the requirements of local defense. The retaliatory force for all-out war must be able to inflict the greatest amount of devastation in a minimum of time. Accuracy here is less important than power and range. A deterrent force for local defense, on the other hand, should be able to apply its power with discrimination and in such a manner that a settle-

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ment can be reached before the situation gets out of hand. And, above all, it should seek maximum mobility.

It is possible to launch a retaliatory force of manned planes at the first warning of an attack; planes can always be called back if the alarm turns out to be false. The decision to launch a missile, however, is irrevocable. Therefore it is essential that a strategy based on missiles shall find some way of understating the response. The more invulnerable missile installations are made, the more possible it becomes to reduce the danger of misinterpretation. If missile installations cannot be destroyed, the side which is on the defensive can delay its counterblow until the enemy has struck and thus avoid acting on a surmise which may prove false.

This is particularly important in the case of missiles for local defense, which must minimize by all means available the danger that local resistance will produce an all-out war by miscalculation. Accuracy and mobility are therefore prime requisites for such a missile system. Accuracy is necessary to permit a discriminating application of power; mobility is needed to reduce the vulnerability to surprise attack. NATO should therefore strive to create a missile system which can be moved by motor, a major part of which is constantly shifting position. Submarines, and to a lesser extent surface ships, provide another form of ideal mobile launching site. Both destructiveness and range should be sacrificed to accuracy and mobility, for the purpose of NATO missiles is not primarily to destroy the Soviet homeland but to pose risks out of proportion to any gains Soviet forces might make in Europe. Even an 800-mile or 1,000-mile missile would prove highly useful in posing such a threat, even though it could not be decisive in an all-out war—and perhaps because of it. The very fact that missile installations in Europe could not destroy Soviet retaliatory power would be a guarantee of their defensive intent.

Thus the proposed missile installations and nuclear weapons will add to European security, provided they are accompanied by a meaningful European effort and provided we do not gear our own military establishment exclusively to an all-out strategy. The prime issue in NATO is not missile sites, much less the degree to which the United States is dependent upon them. The basic problem is to elaborate an effective NATO strategy. The worrisome aspect of the current United States defense budget is that strategic power is once more purchased at the expense of the capability for local defense. The disquieting aspect of much of Euro-

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pean comment about NATO is the refusal to accept the reality that maximum security can no longer be purchased at minimum cost. If NATO cannot develop a real capability for local defense, disengagement may become inevitable. But this should not cause rejoicing among our critics, for under present conditions it would mean the end of Europe's influence on world affairs.

V

What, then, of the theory of disengagement? How about the proposals for a neutral belt or a zone free of nuclear weapons?

It is easy to sympathize with the motives behind the "disengagement theory." As long as two large military establishments face each other in the center of Europe, so the argument goes, the danger of an incident that might spark a conflagration is ever present. Another argument maintains that the establishment of a neutral belt is the quid pro quo which might bring about a withdrawal of Soviet forces from the satellite states and thus permit a more normal evolution of the Communist régimes there. Disengagement is desirable, according to this theory, because NATO as now constituted is not capable of stopping a full-scale Soviet attack, and thus increases tensions without providing security. Finally, disengagement is said to be essential as a means of reassuring the Soviet Union about the sincerity of Western intentions.

The immediate difficulty with these arguments is that they run counter to the entire experience of the postwar period. Where Western and Communist forces face each other directly incidents have been rare and the few that have occurred (such as the Berlin blockade) have not benefited the Soviet Union; the risks are so enormous that both sides generally go to great lengths to forestall clashes wherever they can control events. By contrast, Soviet encroachments have almost always occurred where resistance seemed feeble or impossible. The only case of overt Communist aggression, after all, followed an American attempt to "disengage" itself in Korea and would probably not have occurred otherwise. And the arguments that NATO is both dispensable and a threat to Soviet security are clearly inconsistent with each other. No level of NATO military strength now in prospect will be able to fight an offensive war against the Soviet Union.

We must also take account of the possibility that the Soviet Union is more interested in negotiating about disengagement

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than in achieving it. Once negotiations were entered upon, it is more than likely that the expectation of disengagement would effectively demoralize NATO planning and undermine any military effort on the Continent. And we can be virtually certain that there will be endless evasions and delays so that the Soviet Union might well achieve one of its prime objectives by default—the dismantling of NATO without any concessions on its part.

That the Soviet Union is more concerned with achieving strategic preponderance than in reducing tensions is shown by the only proposal for disengagement that the Soviet Union has put forward—the Rapacki plan for a zone in Central Europe from which nuclear weapons would be banned. Acceptance of the Rapacki plan would not remove the Soviet nuclear threat from Central Europe, for even short-range Soviet missiles can reach much of Western Europe from Soviet territory. Because our whole strategy is dependent on nuclear weapons, it *would* lead to the withdrawal of *all* American forces from Central Europe. And the precedent having once been established, tremendous pressures would be mounted to exclude nuclear weapons from all of Europe including Great Britain. Since there is no prospect of arresting a Soviet advance without nuclear weapons, a non-nuclear zone in Central Europe would not only create a vacuum in which Soviet conventional strength would predominate but would destroy the balance of forces on which Western Europe's security depends. For ultimately NATO would be so weakened that withdrawal of the American military establishment from the Continent would be almost certain.

This situation would not be changed fundamentally by a simultaneous withdrawal of American and Soviet forces from the center of Europe and the creation of a "neutral belt." Soviet forces would withdraw only 600 miles, within easy missile range of Central Europe, while American forces, for the reasons outlined above, would cross the Atlantic. And would the Soviet Union feel less menaced by a neutral armed Germany than a Germany integrated in the Western Alliance and restrained by the collective interests of the NATO countries? Germany unaligned may be forced by domestic pressures to push its claims to the Eastern territories to the limit. Alternatively, an *un*armed neutral Germany would increase tensions by creating a vacuum at the very point at which the great Powers are competing most bitterly.

Instead of adding to stability, the consequences of a neutral

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belt may thus make a tense situation even more explosive. A major purpose of the neutral belt is declared to be to permit a more favorable evolution within the satellite orbit. A withdrawal of Soviet forces may, however, turn a long-smoldering resentment into open revolution. Yet Khrushchev has declared repeatedly that the "socialist achievements" in the satellite orbit are sacrosanct, that the Soviet Union would always lend "timely assistance to a fraternal socialist state"[8]—in short, that the U.S.S.R. stands prepared to suppress any upheaval that threatens local Communist régimes. Indeed, neutralization may actually prevent liberalization in the satellite countries, for only with Russian troops can the Soviet rulers feel confident of controlling the situation. The presence of Soviet forces provides assurance that change will not go beyond tolerable limits. If Russian troops are withdrawn, on the other hand, the Soviet leaders may calculate that they must resist *any* change however small, lest it set in motion a series of events they are no longer able to control.

Thus disengagement invites a variety of new dangers while reducing the forces to meet them. It is not a safe but a daring policy, and it makes sense only if we are ready to prevent the crushing of satellite revolutions. Otherwise it will assure only a temporary withdrawal of Soviet forces from Central Europe, with every likelihood of their return after the American military establishment on the Continent has been dismantled and Europe has been rendered defenseless. A policy of disengagement which has no answer, political or military, to the problem of upheavals in the Soviet satellite orbit, or to the return of Soviet forces under another pretext, is likely to bring about the very conditions it seeks to avoid. Its results will be either a demonstration of Western impotence and irresolution or all-out war.

This is not to say that the withdrawal of American forces from the center of the Continent can never be considered. But the proper context will be European strength not weakness, one in which NATO possesses the capability to pose a significant deterrent to Soviet aggression within Europe. The flexibility so frequently demanded requires a much greater and more sustained effort throughout the Western Alliance. The cause of much of NATO's rigidity is not, as so often alleged, too great concern with military factors, but unwillingness to face the full implications of these factors.

[8] Interview with James Reston, *The New York Times*, October 10, 1957.

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VI

We thus reach our final problem: the tendency throughout the Western Alliance to seek to escape our dilemmas by ascribing only the most favorable motives to Soviet policy, and to allow our resolution to be weakened by diffidence about our own worthiness to enter the lists.

On the first point, it is often argued that a Western defense effort is unnecessary because the Soviet Union has no intention of attacking. But the intentions of the Soviet Union are not a fixed quantity, unaffected by our actions. Our failure to engage in an adequate defense effort may well be the deciding factor in a Soviet decision to launch a blow. The Western Alliance can affect Soviet attitudes better by the restraint and moderation with which it uses its strength than by seeking to purchase Soviet forbearance by impotence.

The concern with Soviet intentions has also affected and often handicapped the approach of the Western Alliance to the problem of negotiation. Every Soviet overture has evoked a debate about whether it augured a basic change in Soviet society. The dispute as to whether to negotiate has thus turned less on the efficacy of negotiation than on an assessment of Soviet intentions. Both the advocates and the opponents of negotiations have seemed to agree that negotiations are not possible except against the background of a fundamental transformation in Soviet Russia, one group advocating a conference because a change had in fact occurred, the other denying any basic transformation. Opponents of negotiations have accordingly insisted on a proof of Soviet "good faith;" advocates have seen in the Soviet offer to negotiate a sufficient guarantee of Soviet intentions.

It is at least arguable, however, that negotiations are especially necessary if Soviet intentions have *not* changed and that a constant insistence on a change in Soviet society may undermine whatever prospect negotiations offer. The more intransigent the Soviet Union the more important it is for us constantly to put forward proposals which demonstrate our willingness to settle, but which also define the issue for which we are prepared to contend. We should make no proposal we are not willing to see accepted but by the same token we should not refrain from making proposals simply because we believe they may not be accepted. We are under no obligation to frame proposals we are sure the

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Soviet Union will accept. To do so would invite the U.S.S.R. to drive us back step by step. We *are* under an obligation to make responsible proposals which are not designed to undermine legitimate Soviet interests.

For example, in the present situation a number of concrete steps to lessen European insecurity seem possible. An inspection system in the territory included in the Rapacki plan could be instituted immediately to protect both sides, insofar as possible, against the dangers of surprise attack. Concrete proposals for limiting the scope and nature of any war that might break out could be made in an effort to reduce the danger that an upheaval in Eastern Germany or the satellite orbit would spark a third world war. The Soviet Union should be offered all reasonable guarantees that no territory she relinquishes as a result of any European settlement would be used as a base against her or contain offensive military installations. The non-nuclear zone might apply to any area from which Soviet forces withdraw, should the U.S.S.R. desire. The proposed non-aggression treaty between NATO and the Warsaw Pact members might then be concluded.

If we do not succeed in reducing negotiations to concrete issues, the psychological framework of the Western Alliance will gradually be eroded. Already the concern with peace in the abstract has led many to feel that the fact of a conference is as important as the results that may be achieved by it. Even the demand for adequate preparation is interpreted as intransigence. The search for total solutions may prevent settlements which are negotiable, by encouraging the Soviet leaders to believe that they may achieve their fondest hopes through a unilateral offer from the West and without any concessions on their part. The notion that firmness on some issues is incompatible with successful negotiation turns diplomacy into an instrument of Soviet political warfare whose primary significance is psychological and not substantive.

In fact, to interpret every Soviet overture as a symptom of a deep-seated change may cause us to overlook perhaps the most effective means of affecting domestic Soviet developments. There is little motive to change a course of action which on the whole has been extraordinarily successful. Even assuming that there is an element in Soviet society which is interested in a more peaceful course, and even assuming that it can translate its wish into political pressure, a basic change would seem highly unlikely as

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long as in every policy choice the "tough group" in the Kremlin succeeds in moving forward with impunity. A more cautious policy will come about only if the present course comes to seem too risky. And this may depend more on Western resolution than on abstract protestations of good will. The possibility of evolution of Soviet policy may be jeopardized by the overeagerness with which some groups react to Soviet overtures, for it will encourage the Soviet belief that any course, no matter how intransigent, can always be reversed by a diplomatic note and that any *fait accompli* can be softened by abstract protestations of peaceful intentions.

Thus the ultimate problem of the Western Alliance is the need to generate the purpose and the moral direction to couple humility with power and to find the inward strength to act in situations which are inherently unclear. This is impossible as long as the moral course is always identified with minimum risk and as long as our perfectionism inhibits our willingness to grapple with contemporary problems. Many of the most thoughtful people in the West are properly disturbed about the lack of stature of Western policy. But if their concern leads them to favor what amounts to a withdrawal from the scene, they will only intensify the sterility they seek to combat.

One of the most anguished and profound students of Western policy has written:

> To my own countrymen who have often asked me where best to apply the hand to counter the Soviet threat, I have accordingly had to reply: to our American failings—to the things we are ashamed of in our own eyes: to the racial problem, to the conditions in our big cities, to the education and environment of our young people, to the growing gap between specialized knowledge and popular understanding. I imagine that similar answers could be found for the other Western countries. I would like to add that these are problems which are not going to be solved by anything we or anyone else does in the stratosphere. If solutions are to be found for them it will be right here on this familiar earth, in the dealings among men and in the moral struggles of the individual. If one had to choose between launching satellites and continuing to give attention to these more homely problems, I should say a hundred times the latter, for unless we make progress in them, no satellite will ever save us. Whether we win against the Russians is primarily a question of whether we win against ourselves.[9]

But the times do not permit of such absolute distinctions. The free world does not have the choice between improving itself *or* dealing with the Soviet menace. Its problem is precisely that

[9] Kennan, *op. cit.*, November 14, 1957, p. 771.

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it must improve *while* protecting itself against the danger of aggression or subversion. Force by itself will not supply an answer to the challenge of the future; it offers the possibility that there *will* be a future. In the long term our vitality and the meaning of our life depend on the principles by which we live. But this does not mean that in the near future we may not need the sternness to act decisively in the face of ambiguous challenges and the moral strength to build a future even while we are aware of our present imperfections.

A problem may be ultimately spiritual, while being immediately political or military or economic. If we insist on moral perfection before we act we will achieve neither perfection nor action. At a time when the survival of our civilization and perhaps of all of humanity hangs in the balance, humility cannot take the form of recoiling before every course of action. Our moral conscience has never been more needed. But it must not magnify the absolutism of our strategic doctrine, and the occasional self-righteousness of our diplomacy, by making our choices seem simpler than they are.

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ANGLO-AMERICAN SHIBBOLETHS

By the Marquess of Salisbury

ANY man bold enough to tackle the subject of Anglo-American relations—so delicate and yet so intensely important—finds himself faced immediately by the question what he means by the word "Anglo-American." Does he mean the relations between the United States and the British Commonwealth of Nations or the relations between the United States and Great Britain alone? Though the two are clearly closely linked, I propose to confine myself here, so far as possible, to the second and narrower meaning. For in a free confederation of nations it does not seem to me proper that the citizen of any one member state should dogmatize on the affairs of the others. But even on the narrower interpretation, I do not suppose that many people either in the United States or in Britain would dispute the general proposition that on a close relationship between the two countries rests the best hope for the future peace of the world.

And indeed it is not only right but natural that the United States and Britain should work together. For they have, in many ways, the same background and the same outlook. Their parliamentary systems, their laws, spring from the same source. Both believe in free institutions in the sense that both believe that the individual should have full liberty to think, speak and act as seems good to him within the minimum limits imposed by his membership in his community. Both, in the words of the Psalms, seek peace and ensue it; for they know that it is only under conditions of peace that true liberty can prosper or indeed survive. Both base their national lives on the Christian ethic, with all that entails; and twice within the last 50 years, when war has finally been forced upon them, they have stood side by side in defense of the principles in which they alike believe, and by so doing have saved civilization. And, finally, both are threatened by the same danger, the materialistic Communism of Russia.

With so much in common, it might seem that common policies should be easy of attainment. And yet the path of Anglo-American friendship has not proved in practice as smooth as might have been hoped. Even since the last war, there has been an undercurrent of friction and disagreement. The Americans tend to complain that they are always being asked to pull the British

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chestnuts out of the fire. The British tend to complain that if the chestnuts get into the fire it is because of the failure of the Americans to recognize approaching danger until it is too late to avert it. The Americans cite Korea as a case where they did act and were not sufficiently supported by Britain. The British reply that if the Americans had gone as far in support of Britain at Suez as Britain went in support of America in Korea, the world would be a much healthier place than it is today. The Americans contend that Britain has not been loyal to her obligations under the United Nations. The British say that the United Nations is not doing the job that it was created to do. And so the debate goes on, a debate which furthers the interests of neither country and is of assistance only to our enemies.

Why is it that two countries, which are in many ways so much alike, find it so difficult to see eye to eye? Is it because of conflicting commercial interests? It ought not to be so. The world is fully big enough for both, and Britain cannot hope—even if she wished—to rival the United States in the scope of her commercial operations. Nor have they either of them imperialistic ambitions. They are both satisfied nations. What, then, is the trouble? One is driven to the conclusion that it is psychological rather than real, and that its causes are relevant to the past rather than to the present: in Britain, there is persistent distrust of American isolationism, and in the United States, there is persistent distrust of British colonialism.

Neither of these fears, in my view, is in any way relevant to the world in which we find ourselves today. Not so long ago there was in the United States a strong isolationist strain, and it is very understandable that this should have been so. A considerable proportion of those who now form the American people originally crossed the Atlantic just because they found life in Europe no longer tolerable. They wanted to get away from it all and start a new life in a new world, untouched by the ancient feuds and jealousies of the old. It was therefore natural that they should recoil from any policy which could have the effect of re-involving their new country in those same quarrels and rivalries which they had travelled so far to avoid. But the experience of the last 40 years must have convinced all but a small minority that any hope of the United States remaining permanently outside a world conflict was vain, and that the main hope of avoiding involvement was for the United States to prevent

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war breaking out at all, by throwing its whole weight on the side of peace before things had gone too far. And if that view had already become dominant in American minds, it must have received a further impetus, within recent months, from the launching of the Russian sputnik, which signalized that every American city has been brought, or will be in the near future, within the range of direct nuclear attack.

In such circumstances, why do the British worry about American isolationism? The answer, I think, is this. It is not what would happen when war had broken out that causes them anxiety. They know very well that the whole mighty power of the United States would be engaged in another world war from the start. Their anxiety relates to the time before war breaks out and when it might still be avoided. It is then that they fear that the pull of the traditional isolationism of the country might still be sufficient to impose on an American government a hesitant policy just when firmness and resolution were most necessary. It may be foolish that British opinion should still feel this. The story of the Berlin airlift and the Marshall Plan, and the presence, in peacetime, of large numbers of American soldiers on European soil and of the American Sixth Fleet in European waters are, it may well be urged, conclusive proof of the courage and resolution with which the United States is facing the full implications of its new world responsibilities. But the fear exists, and it was intensified by the course of American policy in the Middle East in the months which preceded the Suez crisis.

And if there is still, in Britain, a certain persistent distrust of American isolationism, there is, I believe, in the United States, an equally persistent distrust of British colonialism. Nor is it unnatural that there should be this distrust. For, after all, the American states were once themselves a British colony, and if they are not still a member of the British Commonwealth of Nations it is initially because of the revolt of the American colonists of 180 years ago against what they regarded as the monstrous injustice of their treatment under colonial rule. That is the lesson which has been taught in American schools ever since; and colonialism has therefore come, to the American mind, to be synonymous with everything that is bad. Actually, I do not imagine that the average Englishman of today would wish to dispute the American view of many of the events which led up to the Declaration of Independence in 1776. The policy of the British

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Government of that day would have a very poor press in the Britain of the twentieth century. But to say this is not, I submit, to condemn, root and branch, all colonial rule. That would be far too wide a generalization. It would indeed be a false generalization. To take only one instance, British colonial government in the latter part of the nineteenth and in the twentieth century has had little in common with the colonialism of the eighteenth. For one thing, it has had to deal not so much with entirely different peoples as with entirely different problems. What made the policy of men like Lord North so unwise was that the colonists of North America were our own kith and kin, men and women of the same advanced standard of civilization as those of the United Kingdom itself. The same is of course true of Canada, Australia and New Zealand. But all these are now, to use the words of the Report of the Imperial Conference of 1926, "autonomous communities within the British Empire, equal in status, in no way subordinate to each other, in any respect of their domestic or external affairs, and freely associated as members of the British Commonwealth of Nations." That means in plain words that they are today independent nations, remaining in the British Commonwealth only of their own free will: they have passed out of the area of colonial government altogether.

The vast majority of the territories of the more recent British Colonial Empire are, however, of a completely different character. They are not colonies at all in the strict sense of the word, since they have not been colonized by the British. They are territories inhabited almost entirely by indigenous peoples of every race, religion, color and standard of civilization. In these circumstances, the main aim of modern colonial policy has been to lead them up the ladder of self-government at a pace at which they can safely go, until they emerge at the top as fully fledged members of the Commonwealth. In some cases, that progress will be very rapid; in some it may be inevitably slow; for there are colonial peoples, notably in parts of the Pacific, that are still very primitive and will probably not be ready for self-government within the foreseeable future. Even in some areas of Africa, Western ideas are still only a very thin veneer over primeval savagery. And this is not surprising when one considers what was the condition of many of the African peoples only two or three generations ago. They had the most primitive ideas of medicine. They had the most primitive ideas of agriculture. They had no

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idea of true liberty at all. There is a vivid account of the task facing European administrators in Central Africa at the end of the last century in a dispatch written by Sir Harry Johnston in 1890. "Somebody," he writes, "has got to keep order in this chaos of old established savagery and newborn civilization; otherwise, we shall have Arab wars and native wars, and white 'atrocities' and savage reprisals. Civil war among the savages must be checked, so that something like settled cultivation and the rearing of flocks and herds may begin. Arab aggression and the slave trade must be put a stop to. Unscrupulous men must be restrained from defrauding or maltreating the natives."

That was the situation facing the colonial Powers less than 70 years ago, and when one looks at the territories of British Africa today, with their established medical and agricultural services, their prosperous and peaceful peoples, striding forward towards full membership in the Commonwealth, it will surely not be said that, there, colonialism has been an unmixed evil. On the contrary, to most Englishmen, the record of Britain in the colonial field during the last century ranks as one of great achievement; and their only doubt is not whether the pace of constitutional advance has been too slow, but whether it has not been too fast; whether these peoples have yet quite grown up; whether they are really ready for independence; and whether, for them, independence may not mean the end of liberty.

For there can be no more dangerous mistake than to assume that independence and liberty are the same thing. They can, but by no means need, go together. Liberty—true liberty—as I have stressed earlier, means freedom for the individual to think, speak and act as he likes within the minimum limits imposed by his membership in his community. Countries like Hungary enjoy nominal independence; but would anyone say that the people of Hungary enjoy liberty in the sense that we of the West understand that word? One even begins to have some qualms about Ghana when one reads of certain events that have occurred there and of the tone of some of the speeches of her Ministers since she has achieved independence. However, that is not to say that the aim of modern British colonial policy—what one may call the policy of the ladder—has been wrong. It has, one may fairly claim, been liberal and forward-looking; and if the pace at which it has moved has sometimes seemed to involve risks, this is probably due to the pace at which the world has been evolving dur-

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ing the last half-century: and, at any rate, it has been far from imperialist or colonialistic, in the old sense of that word. The proof of this is that in the 12 years that have elapsed since the Second World War, no less than five countries—India, Pakistan, Ceylon, Malaya and Ghana—have reached the top of the ladder and become full members of the Commonwealth, and others are rapidly approaching that goal. Nor is it true to say, as has sometimes been suggested, that a recrudescence of the spirit of imperialism or colonialism—for the two are used in the same sense—has been responsible for British policy in Egypt or Oman during the same period. In both cases, the dominant concern has been to maintain the rule of law: and without that, peace and indeed civilization itself could not long survive.

And as for Cyprus, that is in essence not a colonial problem at all. It is, as is now beginning at long last to be generally recognized, primarily a dispute between Turkey and Greece, both of whom have been willing, until quite lately, to acquiesce in British sovereignty over the island, but neither of whom is prepared to see the control pass to the other. It is that which makes a settlement so difficult to find.

I have dealt at some length with what I believe are the main causes of friction between Britain and the United States because it is so important to both that they should be got rid of. Neither the American fear of British colonialism nor the British fear of American isolationism is, I firmly believe, a living issue. Both are dead and ready for burial; yet unless they are buried, they will continue to poison the relations between the two countries; and neither Britain nor America nor the world at large can afford that. For, let us make no mistake, the perils that confront the free world today are very real and very terrible.

The League of Nations died because the nations that believed in international peace and justice could not get together; and it looks very much at present as if the United Nations might go the same way, though in this case it would perhaps be truer to say not that it is dying but that it has never really been alive. It started indeed with a better chance than the League. For one thing it is, to an extent that the League never was, universal. Moreover, the Security Council is armed with far more drastic executive powers than the Council of the League ever had. It could, if the Great Powers were agreed, take immediate and far-reaching action to restrain aggression, and provision was

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made in the Charter for an international force with an international general staff to enforce its decisions. However, there was of course from the start one essential prerequisite to the success of the United Nations as a means of securing peace and justice. The Great Powers must really mean to use the authority which the Charter conferred on them through the Security Council not for their own advantage but for the general good. Unfortunately that has not been the spirit in which the veto has been used by Soviet Russia. On the contrary, she has employed it merely as an instrument to further her own national policies and those of her friends. Owing to the hamstringing of the Security Council, the executive power which was intended to reside in that body has inevitably been transferred to the Assembly, a body so composed that it is able to prevent all action unacceptable to the Russian bloc. And what has been the result? The United Nations having proved to be largely ineffective for the purposes for which it was intended, the nations of the West have been compelled, in their own defense, to add to it another organization to do its job. That is the inner meaning of NATO, to which the United States has so wisely given its support.

The main purpose of NATO is to fill the vacuum created by Soviet Russia's sabotage of the United Nations. I do not say that the United Nations should be written off as a dead loss. With the passage of time, Russian policy may change and the United Nations may come into its own; even now in various spheres, there is much that it can do. But while Russia remains in her present mood the United Nations will not by itself be adequate to prevent world war or the forcible spread of world Communism. That responsibility—and it is a heavy one—must rest mainly with the Western Powers, acting through NATO or by any other means that may be available to them. It therefore is a solemn duty for all of us to ensure that, spiritually and materially, the Western Alliance is as closely knit as possible. Any serious breach between the great nations composing it is likely immediately to increase the threat of world peace. Especially is that true of the English-speaking countries, the core of the Western Alliance. With the enemy at the gate this is no time for bickering, for the formulation of purely American policies or purely English policies. The policies of the two countries have to be welded so far as possible into one, just as the Anglo-American forces in North Africa were welded into a single unity by the wisdom and

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vision of General Eisenhower in the crisis of the Second World War. A joint foreign policy must be hammered out which is fully Anglo-American in the sense that it is recognized to be a major interest of Britain to support the United States and of the United States to support Britain.

Sometimes one is told that what have come to be known as the uncommitted countries must come first. No one would dispute the importance of those countries in this great contest in which we are engaged. But it is relevant to inquire why they are uncommitted. Surely it is not that they simply cannot make up their minds which of the two ideologies, the Soviet or the Western, they prefer. For these are so different that it is incredible that anyone should not have a preference one way or the other. There must be some other underlying reason. They may be holding out for the best terms that can be obtained, putting themselves up, as it were, to the highest bidder. Or they may hope, by keeping aloof now, to avoid being sucked into the conflict, if and when war breaks out. Either is a possible explanation of their attitude. But one thing is certain: they will be greatly influenced in their final decision by the comparative material strength and resolution of the Western and Communist blocs. If, therefore, they can be shown that the Western Alliance is strong, united and resolute, they are much more likely to come down on the right side than if it appears to be weak and vacillating.

In the civil field, there are practically no limits to the benefits that we can confer on the world if we work together. Recent advances in the development of nuclear energy by the scientists of the two countries, even when working largely in watertight compartments, show clearly what might be achieved if we pooled our knowledge and experience, as one hopes may now be possible. In the field of defense, too, the closer our collaboration, the more effective will be our joint plans within the framework of NATO, the less the overlapping and consequently the less the cost. But defense policy is only an emanation of foreign policy. A combined defense plan connotes a combined foreign policy. The one without the other makes no sense at all. It is this combined foreign policy, above everything, that we need to work out. No doubt we shall have differences from time to time; but let them be as few as possible and not such as to impair our joint authority. For on our capacity to show a united front—not merely in wartime but in peacetime too—the whole future course of history depends.

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CANADA REDISCOVERS ITS HISTORY

By Michael Barkway

DURING the past year a new tone in Canadian comment on relations with the United States has caught American attention. The tone is sharper and more critical; the complaints appear larger. American editorial writers and inquiring Congressmen have discovered Canada's dissatisfaction, and some of them have laid the blame at the door of United States policies. Others are at least ceasing to take it for granted that the neighborly relations between these two countries must automatically provide a model for the world. Two House Committees have sent investigating representatives to Canada where none had ever paid an official visit before. The Senate Committee on Foreign Relations has listed Canadian-U.S. relations as one of its dozen subjects for study at this session.

The present Ambassador to Canada, Livingston Merchant, one of the most perceptive Canada has ever received from the United States, said in a speech early this year: "When I came to Ottawa two years ago, I did not believe that, as the problems multiplied and became more complex, the atmosphere itself might change and with the change solutions become more difficult. But this I now believe may be happening. There have been for a year or more signs of a change in mood or climate which it behooves both our countries to look at." One of Mr. Merchant's virtues as an ambassador is his willingness to acknowledge differences and to reject the facile soothing phrases which have lamentably become the common language of Canadian-U.S. exchanges. His next sentences were characteristic: "I am convinced that there is a basic friendliness and respect between our two peoples," he said. "This is well, for we each have deep need of the other. This basic attitude, however, does not automatically produce good relations."

What has happened to cause the change of climate which Mr. Merchant remarks? Why is there so much new concern on both sides about relations between Canada and the United States? Has Canada suddenly become a difficult neighbor? Or is it some long-submerged problem coming at last to the surface?

A current list of Canadian complaints about United States policy can be compiled easily, and partly according to taste. It

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must include the farm products disposal program, which seriously cut into Canadian wheat markets last year. More recently came the restrictions on oil imports into the United States, including the Pacific states, which is particularly irritating because the only legislative sanction the Administration can find is defense necessity, and this is obviously nonsensical in relation to Alberta. The threat of higher duties on lead and zinc has been hanging over Canadian mines for so long that each crisis becomes more exacerbating than the last, for each is accompanied by official and unofficial warnings: "Now *this* time it really is serious." Behind these lie a batch of agricultural restrictions, some of which have been on again and off again, and others of which are so old that Canada has learned to live with them. Recent additions to the all-too-familiar list of trade restrictions include a host of problems connected with energy, especially in the forms of gas, oil and water power. Canadians had come to suspect that they were in danger of losing their lawful share of the water-power resources of the Columbia River basin, until a former military hero, General Andrew G. L. McNaughton, came to the rescue in a new rôle, as Canadian Chairman of the International Joint Commission. He certainly has started to assert Canadian rights vigorously enough, and the public is behind him. Water power, electricity and gas all have this in common: the supply must be dependable. Export and import of natural gas by pipeline must involve a reliable and enduring commitment; and this makes it a new and vital problem in relations between our two countries.

Canadians are depressed by the decline of Cordell Hull's dream of reciprocal trade, not because it was adequate but because it was better than nothing. President Eisenhower, in his anxiety to keep even a lingering token of the Trade Agreements Act, has watered down his proposal so far that it hardly seems to matter whether the Congress accepts it or not. In another field of fundamental concern to both the United States and Canadian Governments, many people are uneasy about the military installations and gadgetry which the U.S. Air Force wants to put into the Canadian North. This applies to the air stations and DEW line radar posts already installed, as well as to the list of demands which they suspect is to come. It is not hostility to the idea of common defense which lies behind this; it is lack of faith in the Pentagon's capacity to be the final judge of what defense installations are really essential, together with the inevitable reluctance

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to have U.S. forces chasing all over the Canadian North in that extravagant way which public fancy attributes to them.

A majority of Canadians are also finding that the reports of Mr. Dulles's latest lecture on someone else's wickedness add little to the instruction and nothing to the entertainment of the morning paper, where they appear with remarkable frequency. As an irritant at the breakfast table the only person more exasperating is the State Department's anonymous spokesman with his invariable condemnation of the latest Russian communication. Some cynics now entertain serious doubts whether the spokesman, or those he represents, ever takes time to read the notes before condemning them. The Washington spokesman's opinions on diplomatic exchanges with Moscow have become the most depreciated coin in daily international exchange.

But Canadians have lived with these, or broadly similar, vexations throughout their country's history. Why, at this time, should the mood change for the worse? A new Canadian Government came into office last June after 22 years of Liberal rule. Is *it* responsible? The Conservative Prime Minister, Mr. Diefenbaker, and his ministers have already been under attack from the new Liberal leader, Mr. Pearson, on this very charge. Their speeches about American trade policies and investments in Canada are said to have jeopardized good relations. Yet only last October, when Mr. St. Laurent was still Liberal leader, he said in his opening House of Commons speech on government policy that he could not find anything in Conservative speeches "which had not been said very well and at least as forcibly by members of the Liberal Government."

It is confusing even for Canadians. The clue to remember is that every Canadian party tries to establish two claims about its relations with the United States. The first is that it can get more consideration from Washington than its opponents can get. The second is that it stands up to Washington more firmly in defense of Canadian rights. Mr. St. Laurent was directing himself to the second claim; Mr. Pearson to the first. The verbal contradiction therefore conceals a complementary intent. The paradox at least serves to emphasize the fact that the most vital and delicate problem for every Canadian Government is how to manage its relations with the United States. It is also the problem which is least likely to be discussed with any real candor in public. It touches too many sensitive spots in politics, economics and finance. If

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Ottawa is not afraid of offending some of its own voters by a clumsy comment, then it fears alarming American investors, or the State Department, or the Pentagon or some section of the American press. Real opinions on this subject, therefore, tend to be expressed behind the hand, while public utterances are governed by diplomacy, correctitude and banality.

In this age when every nation in the Western world is in some degree dependent on the United States, Canada has taken to insisting on the distinction of having never accepted American aid—neither during the war nor since. Canada alone both contributed its own share and gave aid without receiving any. Yet a peculiar position of special dependency is inescapable for Canada. It results from the occupation of so much territory by so few people in such close contiguity to a neighbor who is rich enough to indulge in periodic fits of absent-mindedness. Canada's proud ability to pay its own way is still contingent in the last resort on the United States pursuing economic policies which give Canada a chance. Such open vulnerability in so many different parts of the economy can easily make Canada querulous or touchy.

None of these facts change with a change of government. Ambassador Merchant pointedly placed the beginning of the "change of mood or climate" a clear six months before last year's election. This implies that it may have been part of the reason for the Conservatives' victory, but cannot have been its result. Mr. Merchant was hinting therefore at a change more deeply rooted than party politics; and this was remarkably percipient because most Canadians are not yet fully aware of the change nor of its causes.

The decisive moments in a nation's life and thought are never conclusively distinguished until many years after their occurrence. The rare politician of genius presumably enjoys the ability to sense the underlying current of thought before it comes to the surface. At his best he may give it partial and intermittent expression; but even he will leave his biographer to define what he dimly sensed. It is far too early, then, to be dogmatic about what happened in Canada in 1957. But there are enough suggestive signs and hints to believe it worth taking seriously; and if it is taken seriously, then the change in Canadian mood will not soon pass because it is rooted in the Canadian national character.

On June 10, 1957, the Canadian public decisively repudiated the Liberal party to which it had entrusted its fortunes, placidly if not always enthusiastically, for 22 uninterrupted years. Many

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proximate and relatively superficial discontents could account for the outcome, but it is clear that beyond these the election marked a change of era in Canadian history. Some restless, subliminal dissatisfaction with accepted modes of thought about the nation's affairs found decisive expression in the ballots that day. How far the new and still inchoate mood will affect relations with the United States or trade policy or defense or foreign affairs, it is too early to say. The probabilities will be suggested. But they can only be considered in relation to the basic change in outlook which is here postulated. What was the switch in outlook which justifies this assessment?

The Liberals' years now left behind were stamped, by Mackenzie King and his followers, as the period of independence. What Professor Donald Creighton once naughtily called the "authorized version of Canadian history according to Mackenzie King" was built on the Liberals' assertion of Canadian nationality against the lingering remnants of British power. As Dr. Creighton said, it was the preservation of a myth which had lost both validity and utility a quarter of a century ago. The essential recognition of independence for the British Dominions was already won by R. L. Borden, the Conservative wartime Prime Minister, before King ever came to power. But King's era included the 1926 Imperial Conference which defined the new Commonwealth, the growth of Canada's own diplomatic service, and a self-conscious pride in the new nation's ability to stand on its own feet and abandon London's leading strings. Some have alleged that the Liberals' claim to be the champions of Canadian independence against old colonial habits proved so good a vote-getter that the imperial bogey was deliberately kept alive for this reason. That seems farfetched. The illusion was probably perpetuated more by mental inertia than political contrivance.

To Americans, who settled the problem of colonial rule by direct, bloody but decisive means so much earlier, it must seem very quaint that Canada felt impelled to assert its political and psychological independence up to the present generation. But so it was. And as a result, Mackenzie King and his contemporaries tended to think in terms of geography rather than history, of economics rather than nationality. There were at various times excellent reasons to insist on Canada's "American-ness." After the Second World War, particularly, there were highly practical reasons for relying more and more on commercial and

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financial ties with the United States. But it takes only a little exaggeration to overbalance the truth; and in emphasizing the importance of geography and economics, the Liberals neglected the influence of history. And the consequence of neglecting history was to submerge half of Canada's reason for existence.

Canadian nationhood has been constructed in the face of two powerful foes, not one. In recent years, Canadian energies have been directed toward escaping from colonial rule. Neglected has been the need to guard the new nation—its overseas ties transformed but still intact—from the ever-present danger of absorption or annexation by the United States. The American threat to Canada was never primarily military. The military clashes, notably in 1812, 1838 and 1866, all turned into futilities. But in the last century every weapon of diplomacy and commercial pressure was used by Washington against the infant Canadian nation; and it early became a deep-rooted instinct in Canadians to avoid too close commercial dependence on the United States for fear of its leading to political dominance. This fear killed the Canadian Liberals' bid for commercial union or far-reaching reciprocity in the 1880s. It defeated Laurier's reciprocity treaty in 1911. It frightened every succeeding government away from public discussion of reciprocal, bilateral trade agreements with the United States.

This inhibition has not, however, entirely precluded private discussion of reciprocity. After the Second World War, Senator Robert Taft, then regarded as one of the chief apostles of American protectionism, was ready to advocate free trade with Canada (reviving unknowingly the unfulfilled agreement his father had made with Laurier). At the same period Mackenzie King authorized discreet inquiries by Canadian officials in Washington looking to the same end. Nothing came of them. The dream was, unexpectedly and equally privately, revived at the first meeting between President Eisenhower and Prime Minister St. Laurent in Washington in the spring of 1953. The President, with Secretaries Charles Wilson, George Humphrey and John Foster Dulles, suggested to Mr. St. Laurent (accompanied by Lester B. Pearson and J. W. Pickersgill) that the United States would like free trade with Canada. Failing that, the Americans said, why not a sort of "super-favored-nation" treatment? The Canadians recoiled. They explained that their interest was in more liberal treatment by the United States of the United Kingdom

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(then struggling with an approach to convertibility) and Europe. Such widened trade links could, with American support, open doors for Canada overseas as well as in North America.

This renewed rejection of an exclusive trading partnership came, it is to be noted, from a Liberal régime which had appeared to be largely negligent of the historic fear of economic dependence. When the Liberals left office last year, the United States had secured about two-thirds of Canada's total trade; and American companies controlled almost as large a proportion of Canada's most productive industries—manufacturing, mining, petroleum and forest industries.

In terms of long-range national strategy, no doubt a case can be argued for or against this increasing concentration of trade and foreign ownership. But in terms of tactics, the Liberals mishandled it both in relation to domestic Canadian politics and in their dealings with Washington. Behind these errors lay the basic falsity of an outlook which had overemphasized Canada's geography and put excessive faith in the unhindered play of economic forces. The vote in 1957 was, in effect, a demand for a redress of the balance between historical and economic forces.

This movement of opinion is properly represented by the Conservative party, for this is its traditional rôle. Yet in terms of practical policies it will not do to equate the Liberals with continentalism, nor the Conservatives with imperial connections. The reality is more complicated. The generalization cannot be pressed beyond saying that the two parties have shown these broad orientations. Even then, it must be noted that the resurgent Conservative party under John Diefenbaker's leadership is very far removed from the earlier Canadian concept of Tory principles. It has little or no connection with "big business," far less than its Liberal predecessor. Its ministry relies heavily on schoolmasters. Although the inevitable lawyers are prominent, the leading one is Mr. Diefenbaker himself, and he made his name as counsel in criminal cases, mainly before western juries. He was "a poor man's lawyer." Even Canadians have been slow to recognize the significance of a fact which Mr. Diefenbaker has repeatedly, but unobtrusively, pointed out. He is the first Canadian Prime Minister who was not of purely British or French stock. (Mr. St. Laurent was half-Irish, half-French.) He is not the man to restore the Tory imperialism which some people have considered inseparable from the Con-

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servative party. He has brought into his cabinet the first minister of Ukrainian origin; he did it without beating a drum or blowing a trumpet. The record of the first nine months also includes the first Chinese member of Parliament (recently elected President of the Young Conservatives), the first Icelander and the first Indian appointed to the Senate.

This new insistence on racial equality means not a weakening but a broadening of Canada's overseas ties. The British connection remains the most lively; it has the surest historical foundation and it is supported by Canada's continued, and perhaps even growing, attachment to the new Commonwealth. But it is no longer exclusive. Just as the United Kingdom is attempting to ally itself more closely with the European economy, so Canada is coming to regard its British tie as a link with Europe. This is implicit in the large immigration from Europe since the war, which has strengthened the Canadian population with a different kind of immigrant from the prewar years: a high proportion are intellectuals, scientists, teachers, artists, musicians. They have made possible, with the immigrants from Britain, most of Canada's cultural ventures in drama, ballet and music. They have destroyed what John Farthing described as the illusion of "a Canadian culture springing spontaneously from the barren rocks of the Laurentian Shield." They have helped to restore a sense of Canada's historic roots on the other side of the Atlantic, for lack of which, said Farthing, "we had left ourselves nothing better to do than to boast *ad nauseam* how increasingly important we were to be."

The Conservatives in Canada have taken power on the wave of a rediscovery of history. It means a revival of those ties that run east and west, both within Canada and beyond its shores. It means a restoration of the tension between these historic links and the north-south attractions which geography and economics impose. The immediate problem, for Canada and for the United States, is to devise practical policies which will take account of this tension which derives inevitably from their coexistence on the North American continent.

Will the change of mood and climate in Canada necessarily make more difficult the solution of outstanding problems with the United States? Ambassador Merchant seemed to fear it. But it need not be so. If returned to power, the Conservatives will inherit the same facts that the Liberals had to grapple with. "No

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matter how they be obscured or modified, the basic factors remain basic," said George Ferguson, the editor of the *Montreal Star* recently. "What we are talking about is the relations between a great, rich and powerful country with a much smaller, much poorer and much weaker neighbor."

It is virtually certain, however, that Canadian-American relations will *sound* different in the next few years. There will be much less pretense from north of the border that Canadian and United States interests necessarily march side by side. There will be less inclination to silence legitimate Canadian claims for fear of provoking American retaliation in some unrelated sector. There will be more emphasis on Canada's overseas ties as a protective covering against the embarrassment of naked exposure to the United States. And Canada may learn to appraise more thoroughly the complex forces which go to the making of United States policy. It is less likely in the new mood to imagine that Canadian interests are at the center of American thought. It will be less anxious to pretend that everything in Canadian-U.S. relations is nearing perfection. It may even profit from showing how difficult they are. Yet the final result may be beneficial.

Already, because of a few uncompleted and ill-planned gestures towards the strengthening of Canada's overseas ties, much of the American press and many interested sections of Congress have begun to consider Canadian-U.S. relations as a subject deserving of study. They are beginning to support Mr. Merchant's statement that "we each have deep need of the other." This is a change matching the Canadian change. It abandons the illusion that good relations can be taken for granted. The difference is that in Canada the illusion could never have been maintained without a distortion of the country's whole historical experience. In the United States it was convenient to maintain it as long as Canadian complacency lasted.

The restoration of a proper historical balance in Canada's outlook will restore the essential tension of Canada's equivocal position between the two worlds of history and geography. It will make for more realistic judgments of American policy. It should restore the kind of relationship which is normal and proper between neighbors, in which a few hard words now and then keep things on a realistic basis. This is the basis upon which bargains can be made, when neither side expects to get its way without making some concession, too.

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FOREIGN AID: NEXT PHASE

By M. F. Millikan and W. W. Rostow

IN the past year American economic foreign policy has moved perceptibly, if indecisively, back towards the path marked out by the Point Four Program launched in 1949, the Gordon Gray Report of 1950 and the Nelson Rockefeller Report of 1951 —a path from which the United States was diverted by the Korean War and the subsequent concentration on the build-up of military pacts (backed by military aid) around the periphery of the Communist bloc.

The acceleration of economic growth in non-Communist Asia, the Middle East, Africa and Latin America is beginning to be recognized, in fact as well as in word, as a major national objective, quite apart from military aid and the use of money to help salvage crisis situations. The Development Loan Fund exists; some $290 million has been scraped up to postpone too drastic a cutback in the Indian Second Five-Year Plan; surplus food and fibers available under Public Law 480 are beginning to be understood, both abroad and in Washington, as potentially a major constructive instrument for economic development; and before or during the NATO meeting of last December significant gestures, at least, were made by the German, Italian and American Governments looking toward coördination of the free world's development effort.

Whether there will now emerge into maturity an American and free-world economic development policy capable of protecting the common interest in a world dominated by expensive military stalemate on the one hand, and by the accelerating nationalist revolutions of Asia, the Middle East and Africa on the other, hinges in part at least on a clarification of three major issues. These are: the nature of the American interest in the revolutionary areas; the relations between private and public capital in the early stages of economic growth; the special position and problems of India.

II

The American interest in economic development flows from the historical status of most of the nations and regions of Asia, the Middle East, Africa and Latin America.

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Economically, these stand somewhere along the path between a relatively static agricultural society and a society capable of applying promptly and productively the fruits of modern science to its natural and human resources. These transitional societies have absorbed varying degrees of modern economic activity; but they have not yet woven them together in such a way as to make economic growth a regular, automatic condition: productive investment is not yet high enough regularly to yield increases in output substantially greater than increases in population. Politically, they are somewhere in the transition from regionally based hierarchical societies, rooted in traditional land relations, to centralized states capable of providing a unified national framework for modern economic, social and political activity.

Both historically and at present the building of modern economies and centralized modern governments has been driven along less by the profit motive than by the aspirations for increased national and human dignity. Merchants and the profit motive played their part in the modernization efforts of Bismarck's Germany, Meiji Japan, Witte's Russia and Ataturk's Turkey; but soldiers, civil servants and nationalism were the more powerful agents. And so it is today in Asia, the Middle East and Africa.

In these transitional stages, nationalism may be turned in varying proportions to these three objectives: towards the consolidation of the central power of the new state over the old regional interests (as with Diem and his sects in post-1954 South Viet Nam); towards external adventure, to redress real or believed old humiliations (as with Nasser in the Middle East since 1955); or towards the economic and social modernization of the domestic society (as with the Indian Five-Year Plans). No successful politician in a transitional society can afford wholly to neglect any one of these tasks; that is, he must build up the power of the central government, assert a position of increased authority and sovereignty on the world scene, and launch some kind of program for economic and social modernization. And these three elements of policy cannot be cleanly separated.

How do these objectives relate to each other? If the local political leader concentrates merely on consolidating his central power or on rallying his people around an external objective, he may well achieve short-run success; but he will not meet the demand for economic and social progress pressing up steadily from

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the grass roots. He runs the longer-run risks of creating a centralized state without a viable political basis; or of exhausting his popular mandate in efforts to assert the sovereignty and power of the new nation against the external world, efforts which fail to satisfy his people's rising expectations for material advance. To be successful, a politician in a transitional society must, in the end, link nationalist fervor and the new centralized state to programs of economic and social substance.

The length of time and the vicissitudes of transition to modern economic and political status thus depend substantially on the degree to which local talent, energy and resources are channelled into the constructive tasks of modernization. The powers of the central government must, of course, be reasonably well established as a prior condition, and the government must present to its people a record of enhanced international standing; but the long-run influence of the central government depends, in the end, on its becoming a major source of energy, initiative and resource for modernizing the economy—a lesson Soekarno is being taught, painfully and late.

Communist policy is based squarely on an understanding of this precarious transitional process. Increasingly since the summer of 1951, Moscow and Peking have sought to associate Communism (as well as the Soviet Union and Communist China as governments) with the aspirations of the political leaders and peoples of the transitional areas for national independence, economic development and peace. On the other hand, Soviet diplomacy and propaganda have systematically sought to divert their attention from the tasks of modernization towards "bloody shirt" policies; that is, an obsessive concern to redress real or believed past humiliations—colonialism, Israel, Kashmir, West Irian, etc. In this connection, the resolutions generated out of the recent Cairo conference of the Afro-Asian bloc are worth careful study.

This strategy does double work for Moscow. In the short run, it creates costly disruption within the free world; it threatens the supply of essential raw materials to Western Europe; it threatens to disrupt the American air base structure; and, on the colonialism issue, it further splits the United States from Western Europe. In the long run, it creates the conditions which will help the Communists take over power. It creates these future conditions by diverting the energies of the new nations away

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from the tasks of economic and social modernization; and thus the people's hopes for improved welfare are frustrated. It is the Communist intent that, when these hopes for progress are sufficiently frustrated, men and women in these areas will turn to Communism. The local Communist parties are already steadily at work seeking to heighten and to exploit these frustrations.

The Communist policy being pursued in Asia, the Middle East and Africa is modelled closely—and, we believe, quite consciously—after the Communist success in China. Sun Yat-sen turned to Moscow for guidance and support after he failed to get economic and political support from the United States. In the 1920s and 1930s Moscow did, to a degree, support the Kuomintang while seeking to give it an anti-Western cast; but the Chinese Communists at the same time, with Moscow's help and encouragement, pursued a policy first of infiltration of the Kuomintang and then of military and political obstruction designed to make it impossible for Chiang Kai-shek to achieve the social and economic progress which Chinese men and women ardently sought. And this double pattern persisted virtually down to the end: while the Soviet Union remained solemnly committed to support Nationalist China diplomatically, it turned captured Japanese arms over to the Chinese Communists in 1946. Chiang Kai-shek's view of reform as a second priority played, of course, into the hands of Communist policy throughout this sequence.

There is little doubt that Moscow and Peking regard Nasser, Nehru, Soekarno and the other non-Communist leaders of the new nations as the Chiang Kai-sheks of the future.

It is in this perspective—of short-run and long-run Communist strategic objectives—that the Soviet economic offensive should be viewed. In Jugoslavia, Egypt, Syria and Afghanistan, Moscow has urgent short-term strategic objectives; and those four countries get about three-fourths of Soviet aid outside the Communist bloc. In India, Indonesia, Burma, Ceylon and elsewhere, the amounts of aid doled out are sufficient to build up a measure of good will and a favorable image of Communist intentions; but they are grossly insufficient to supply the foreign exchange requirements for a serious economic development effort.

Nevertheless Moscow is laying out considerable capital in this effort at a time when there are ample alternative claims on Soviet resources for civil and military purposes within the Commu-

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nist bloc. The problem of getting agreement within the Soviet Presidium for this rather expensive program is undoubtedly eased, however, by the increasing dependence of the Communist bloc on imported foodstuffs and raw materials. Mikoyan is probably able to claim that he can make the effort virtually pay for itself: the old Soviet principle of balancing the foreign policy books every night can be roughly maintained.

In facing Communist policy, then, we are not engaged in a popularity contest or in a numbers racket centered on total figures for aid and trade. We are confronted with a systematic effort—diplomatic, psychological, economic and political—to exploit the weaknesses, confusions and temptations of new nations in the transitional period so as to clamp Communism down firmly on them before steady economic growth and the political resilience of a modern state emerge.

Indeed, in the sweep of history, Communism as we have known it thus far in the twentieth century is likely to be viewed as a diseased form of modern state organization, capable of being imposed by a determined minority on a confused, frustrated transitional society. Conversely, a society which has passed through its economic take-off and restructured its political and social institutions around the requirements of modern statehood is likely to have a high immunity to the Communist appeal. Russia almost made it, but the First World War came at a bad time in the Russian evolution.

If this view is correct, the central objective of American policy in the transitional areas is to use whatever influence we can bring to bear to focus the local energies, talents and resources on the constructive tasks of modernization. American military strength must be used to give these nations relative security, with a minimum diversion of their own efforts; and when it is mutually judged necessary to generate local military forces, these in turn should be made to contribute wherever possible to the constructive tasks of modernization. The nineteenth century rôle of the American Corps of Engineers is a suggestive guide. Diplomatically, our stance should put a greater premium on the posture of governments towards the modernization of their own societies than on their day-to-day position in the politics of the cold war. Finally, our economic foreign policy must make it both possible and attractive for local politicians to set the aspirations of their peoples on long-term programs of mod-

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ernization rather than on tempting but diversionary "bloody shirt" nationalism.

This incentive cannot be created unless American resources available for economic development are sufficiently big and offered with a continuity and on terms such that a serious operating politician can plot a long-period course with reasonable confidence.[1]

Thus the American interest in Asia, the Middle East and Africa is fundamentally political. The American interest lies in assisting the new nations to advance toward modern economic and political status while maintaining their independence and assuring the possibility of a domestic evolution which employs the political techniques of consent and safeguards the liberty of the individual. If we are prepared to recognize—as we should—that democracy is a matter of degree and of the direction of change, then our objective can be described as the creation of a world of independent, democratically oriented states which have built economic growth into their societies as a regular condition. This is an objective we should be prepared to state frankly, without embarrassment. It requires an American economic development effort larger and with more continuity, one with criteria for lending vastly less ambiguous (and economically more hard-headed) than our present programs. We are unlikely to get such an effort under way until its purposes in relation to Communist strategy are widely understood.

III

There is a second prerequisite for a mature and effective American economic development effort. This is increased clarity and consensus on the relation between private and public enterprise both within the areas receiving American government loans and as between the public and private sources of capital and technical assistance in the United States.

In the course of the last year's reëxamination of American economic foreign policy, there were interesting and forceful assertions of three propositions: first, that private enterprise is superior in efficiency to public enterprise, even in the underdeveloped areas; second, that substantial untapped potentialities exist in public policy both for expanding American private capi-

[1] Such was the purpose of the policy outlined last year by the present authors in "A Proposal: Key to an Effective Foreign Policy" (New York: Harper, 1957).

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tal exports and for increased collaboration between public and private sources of American capital; and third, that the American Government could do more than it is now doing to create a more favorable climate for private investment in the underdeveloped areas. These views were presented against the background of what appeared to be a relatively substantial increase in American private investment abroad, opening up a somewhat more optimistic vista of the future rôle of private capital exports than that generally accepted in the recent past.

So far as the ideological debate on public versus private enterprise is concerned, several things have been happening. In Western Europe and in other industrial societies, the old banner of nationalization has faded markedly within the Social Democratic parties. Men have come to learn that Marx was wrong when he regarded the public ownership of property as the only effective form of ensuring that the public interest in the economy is respected. Ways have been found for protecting the legitimate public interest in economic activities without burdening the state with heavy operating bureaucracies which, on the whole, tend to impede rather than to encourage good public as well as good economic policy. The slogans of youth are not easily surrendered, and political banners fade slowly. There is little doubt, however, that in the postwar decade the Social Democratic movements have shifted as rapidly as they safely could away from the commitment to nationalization which had grown up in the first four decades of the century.

This transition may, in time, be expected to have its impact on the politics of the underdeveloped areas, since so many of the leading figures there were strongly marked by Western Social Democratic views, and many important connections remain. More relevant, however, than the vicarious experience of Europe is the evidence accumulating in those underdeveloped areas which have gathered economic momentum: that the expansion of the local private sector, including the development of vigorous efficient modern businessmen, can constitute a valuable support to the government's larger economic and social objectives; and that, within reasonable limits, it can be made politically quite safe and economically quite wholesome to permit private foreign enterprise to operate within their countries. These trends are mainly to be observed in Latin America, but they color hopefully some American visions of the future in Asia, the Mid-

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dle East and Africa; for it now appears possible that vigorous private sectors can emerge more rapidly than our somewhat static sociological analyses of entrepreneurship would suggest. Once the expectation becomes general that next year's output is likely to be larger than this year's, businessmen begin to think about plowing back profits, expanding capacity and introducing new machinery, rather than merely clinging to the older pattern of fixed output with big profit margins syphoned off to keep the family comfortable. These transitions in the outlook and operations of businessmen obviously take time; but they seem to come more quickly than many had thought, once the economy as a whole begins to gather momentum.

In this mood, a good many measures have been put forward designed to expand the rôle of American private direct investment in the underdeveloped areas. These include: improved administration of the government guarantee programs; more substantial tax incentives for private investment overseas; the merging of government and private funds in particular projects; the expanded use of management contracts; the more firm negotiation of treaty and other conditions designed to protect American private investment; and the spreading of information on the virtues and efficiency of private over public enterprise.

Even the most ardent of the recent advocates of private over public investment have been clear, however, about two things. One is that certain kinds of government investment are not only required in the underdeveloped areas but are essential to create a setting within which efficient and profitable private operations can grow: notably, investment in education, health, agricultural extension work, irrigation, transport, fuel and power. The second is that American influence to encourage the strengthening of private sectors in underdeveloped areas and to enlarge the flow abroad of American private capital is a matter in which great tact must be observed. What is basically involved is that other peoples come to accept, sometimes in the face of long-held views rooted in difficult past experience, that a vigorous private sector and foreign private investment can be made to reinforce rather than to disrupt public purposes to which they are committed.

In short, it should now be possible to crystallize a clear and well-balanced American attitude toward the issues of public and private enterprise in economic development and to mount

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an American policy that harnesses them in more vigorous collaboration than we have had in the past.

What such a generally hopeful perspective and policy must take into account, however, is that what we call underdeveloped areas are at very different stages on the path from traditional to modern status. The currently successful cases of private international investment tend to cluster about two extreme points along this path—that is to say, in areas which have barely moved beyond the traditional stage and where oil and other extractive foreign enterprises operate in relative (but rapidly decreasing) comfort, as in the Middle East and parts of Central Africa; and again in such new nations as Mexico which have, in fact, passed through the take-off into sustained growth and are rapidly becoming thoroughly modernized societies. Vigorous, competent businessmen have emerged in large numbers only in these latter advanced societies, and only there has the attitude towards foreign private enterprise been generally hospitable.

In between lies the difficult transitional period in which a good deal of Asia, the Middle East and Africa finds itself. In economic terms, an extremely high percentage of investment in this transitional period must go into social overhead capital. At the local end this means a high proportion of government investment. At the American end, this means a high proportion of inter-governmental loans, unless the pre-1914 private market for foreign government bonds suddenly recreates itself. Moreover, in these transitional periods, while the new corps of modern industrial businessmen are emerging it is likely to be a simple fact of life that civil servants and politicians (and, sometimes, soldiers) will perform more of the functions of entrepreneurship than American experience would find normal. Economically, this stage can give way to a more familiar and congenial balance between public and private sectors only when the whole modernization process has gathered momentum. American advice and negotiation can help in this evolution; but economic progress itself is the decisive variable.

The nature of this intermediate stage explains why governments—and inter-governmental loans—may have to play temporarily a disproportionately large rôle even outside the area of social overhead capital. The risk of investment—and the time before payoff becomes possible—does not lie in the nature of the individual project or its intrinsic soundness by conventional

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banking standards. The question is: When will the economy as a whole enter the stage of self-sustained growth? Private investors understandably draw back from gambling on the timing of such profound historical changes. Governments—theirs and ours—must live with and operate on precisely such risks; because, without adequate governmental investment, the take-off may not occur rapidly enough to meet the political pressures for it.

The nature of this intermediate stage explains also why such devices as dollar loans repayable in local currencies make sense. Many nations moving forward—whose take-offs are in the American interest, but which have not yet occurred—can use capital productively but they cannot generate sufficient foreign exchange and international credit-worthiness until they achieve the stage of self-sustained growth. Soft loans are one way of covering this interval whose length cannot be predicted with confidence. The temporary accumulation of local currencies is, thus, a minor embarrassment in an essentially rational course of action.

Politically, in between the two relatively comfortable stages for foreign private enterprise, occurs the passage of local history in which a modern centralized government is created and effectively takes hold. It is to be expected on the basis of history that at some stage in the political transition the nationalist emotions which drive local politics create a somewhat critical, if not hostile, atmosphere towards foreign investment, notably if the foreign positions in the economy became entrenched during a colonial or semi-colonial past. Knock-down, drag-out crises in the status of foreign enterprise are, of course, not inevitable; but changes in relationship and attitude are inevitable as the new nations take shape and become increasingly conscious of their sovereignty. A wiser and more forehanded free-world policy towards, for example, Indonesia and Egypt in recent years might well have prevented or softened the current crises in the status of foreign enterprise there; and Western oil companies (and their governments) would do well to avoid clinging rigidly to old formulas in the Middle East. But it is in the nature of the historical process taking place that a certain amount of awkwardness and readjustment will be required.

Thus it will take an understanding of what it is like to move from a traditional to a modern society—a sense of history and patience as well as a vigorous collaboration between American public and private authorities—to see us through into the stage

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when most men and governments in the world come to perceive that private capitalism, domestic and foreign, has an expanding rôle to play in the new nations capable of reinforcing their larger political and social objectives.

IV

India provides a critical focus for our economic development policies for the next decade, and a test of their meaning. There are a number of reasons for this. In the first place, the population of India includes about 40 percent of all the people in the underdeveloped countries of the free world. Politically and strategically India is even more important than the numbers of her people would suggest. The success or failure of Indian development efforts will affect the course of events from the Celebes to Morocco. We have not yet devoted the attention and resources to Indian development problems that the American interest requires.

There are compelling technical economic reasons why, at the moment, we should be concentrating a much larger share of our capital assistance on India than even her size would dictate. To allocate development assistance to countries in proportion to their population or their relative claim on our sympathies is to misconstrue the relation between capital and the development process. The requirements for outside capital of countries seeking development vary widely depending on the stage of development they have reached. In the early precondition stages in which many of the underdeveloped countries find themselves, the amounts of capital they can productively absorb are sharply limited by shortages of skills, education, administrative capability, essential social overhead such as roads, ports, communications and the like, and by the absence of the attitudes, motivations and political leadership that make growth possible. Technical assistance and limited amounts of capital may have to be supplied for some years before the country is technically and politically ready for the take-off—the concentrated effort to launch a growth process that will be self-sustaining.

But there does come a time when the stage is set for the big push. The country finds itself in a position to launch simultaneously a wide variety of interdependent activities which reinforce each other, and whose combined effect is to produce for the first time a substantial forward movement in all major sec-

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tors of the economy at once. India is, in our judgment, at this critical turning point. For a decade or so, during this take-off, requirements for foreign capital are at a maximum. Then, if the process is successful, the country's own rising income increasingly provides the new resources which can be plowed back into investment to stabilize growth as a regular feature of the economy; and the fact of regular growth itself permits the country, once the take-off has occurred, to acquire external capital from private or other orthodox sources.

The evidences that India is ready for the take-off—indeed has already started it—are many. Over the past eight years her output of goods and services has grown by about 25 percent. This growth has occurred in agriculture, in large-scale industry, in small-scale industry, in transport and services. In all these fields there are investment projects on the drawing boards, Indian designed and engineered, to continue the expansion. There is a growing class of competent administrators, both public and private, to undertake the work. There are clear signs of growing domestic markets to buy the new output when it is ready. There are many more things which Indian leaders must do vigorously if they are to accomplish the take-off, but they now have it in their power to take most of the necessary steps themselves.

There is, however, one major economic threat to the maintenance of momentum which can be met only by action outside India: there is a shortage of foreign exchange with which to acquire the resources needed from abroad for the investment program. The drain which India has recently suffered on her foreign exchange reserves has been caused not, as in the case of some countries, by a decline in her export earnings nor, as in others, by an expansion of domestic consumption. Rather it has come about mainly by an import of capital goods, primarily for the private sector, much larger than anticipated by Indian government planners. This drain has been accentuated by two relatively poor harvests; but the essential reason that India's foreign balance is in trouble is not that her development efforts have not been succeeding but that investment has gathered more momentum than anyone anticipated. The problem facing India today is how this momentum can be preserved.

The availability of help and resources from outside is important at all stages of the growth process. But there is a peculiarly critical moment in that process, which India has now reached, when

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external capital in adequate amounts and over a long enough period becomes the key determinant of what happens. After the take-off, as in Mexico, the external environment is important, but non-governmental sources of capital can carry most of the load. Before the take-off technical assistance and some outside capital for social overhead are necessary; but the critical bottlenecks are the needed transformations in the social, political and economic structure of the nation for which its own leadership must take prime responsibility. A time comes, however, when the domestic prerequisites for success have been largely met and when the availability of substantial external resources on an investment basis is the single most important condition of success. India is the prime case in the year 1958 of a country in this position. No one can, of course, guarantee that if the foreign exchange bottleneck is removed, success is assured. Development is always a gamble. But the risk in the Indian case appears eminently worth taking from the American point of view.

We have taken a first step toward meeting India's immediate needs by arranging for a series of credits with the Export-Import Bank, the Development Loan Fund and our agricultural surplus disposal program. They aggregate $290 million for the current year. In our judgment this requires extension of three sorts. First, the annual volume of American loans needs to be increased to at least $500 million; second, a serious effort needs to be made to find substantially more capital from sources other than the United States, such as Western Europe; finally, India requires some assurance that she can count on this general level of new credit for a period of some years.

In terms of the preceding analysis of the American interest in economic development, the Indian scene has two characteristics that lend special urgency to an adequate program of American loans to that country. The first is that the present Indian leadership has quite clearly centered its bid for national unity on a common effort to achieve constructive economic goals, in a framework of democratic consent. Economic development goals are a live political issue in India, as they are not (to anything like the same extent) in any other underdeveloped country. Indian foreign policy, anti-colonialism and the Kashmir issue frequently reach the headlines of the Western press; and, of course, they play a significant rôle in domestic Indian politics. But the Congress Party will not stand or fall at home, as Nasser and Soekarno

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may, on its external successes. Indians will judge the Congress Party on how far and how fast it achieves the modernization of India by the voluntary and essentially democratic methods it has chosen to employ.

In India we have the opportunity of confronting the Communists with a serious dilemma. They would, of course, like to exploit Indian-Western tensions. But these are not as much at the center of the thinking of Indian intellectuals as is the case, for example, in the Middle East. The Russians would like to appear as the friends of Indian economic development, which has come to have genuine importance to a great many Indians. But ultimate Communist success in India depends on the failure of the economic development efforts sponsored by what Communists would describe as the present bourgeois régime. As long as the West fails to insure adequate resources for a successful Indian take-off the Communists can successfully pursue the tactic of providing enough help to be symbolically persuasive of their good intentions, but not enough to make a significant difference to the outcome of the Indian Second Five-Year Plan. Thus the success of current Communist tactics in India depends on an American and Western European failure to cover the foreign exchange gap.

The present leaders of the Indian state of Kerala, which went Communist at the last elections, are likewise giving evidence that they are faced with a dilemma. If within the state for which they have responsibility they pursue aggressive and coercive Communist policies, which the Indian electorate finds uncongenial, they may lose their slim parliamentary majority. On the other hand, if they are constructive and reasonable, suppressing their distinctively Communist policies and coöperating with private interests and with the national government, they weaken their case that only Communism can satisfy Indian aspirations for economic advance. Their great hope, of course, is that the national effort will fail and that they can contrast national failure under Congress leadership with at least partial success in Kerala. We have it in our power to help frustrate this Communist hope; but it will take substantially more than we are now doing.

Let us be clear about the nature of the danger confronting us. There is no immediate threat of an extension of Communist control from Kerala to the national government in India. The commitment of most elements of Indian leadership to the methods of

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consent and non-violence is so deep that even if economic development lags, an early Communist take-over is exceedingly unlikely. What is likely over the years, if development loses its momentum, is increasing conflict and confusion within the Congress Party, a resurgence of sectional and linguistic interests perhaps breaking into violence, a heightening of the political and social tensions created by mass unemployment—in short, a reversion to the kind of political instability which tempts otherwise moderate persons to support anyone who can maintain order. While there is no Communist-inspired crisis at present, the prospects are poor for stable and effective democratic government if the present development program fails.

It is precisely in the fact that no serious political crisis is on the immediate horizon in India that our great opportunity lies, for we have learned in many other places around the globe that the salvage of situations which have been permitted to degenerate into crises is an exceedingly expensive, precarious and time-consuming business. In India there is still time in hand for us to use. We can demonstrate that we have a national interest in the development of the underdeveloped countries that lies deeper than our concern to chalk up day-to-day points in the game of cold-war diplomacy. Indian-American relations are important for their own sake. But they are even more important as an earnest of America's determination to play a constructive as well as a fire-fighting rôle in world affairs. In India, where a serious and promising attempt is being made to forge a new nation around the ideals of domestic progress by democratic procedures, it would be most shortsighted of us not to do what we can to make the effort a success.

The second characteristic of the Indian scene that gives it special urgency is the interesting relation between private and public economic activity that has begun to reveal itself in the last two years. The fact that public and private investment are not alternatives but can support each other in the early take-off stage of development has been nicely demonstrated by the Indian experience. In spite of an explicitly socialist governmental ideology, private investment in India has recently been booming. The private sector has, in the first 18 months of the Second Five-Year Plan, undertaken as much investment as the planners initially expected it to undertake over the entire five years. An analysis carried out at the Center for International Studies, M.I.T., of the

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composition of the unusually heavy volume of imports into India over the past two years reveals that the big increase has been in capital goods imported on private account. The purchasing power created by public investment and the improved transport, communications, power and other services resulting from the activities of the public sector have created an environment in which private investment opportunities have multiplied. As mentioned earlier, it is this buoyancy of private economic activity which has been principally responsible for the foreign exchange difficulties with which India now finds herself confronted.

These difficulties—essentially growing pains—pose a serious dilemma for Indian policy. If additional foreign resources are not forthcoming, India must cut down her imports by strict controls to much lower levels. Her leaders are now politically committed to a variety of public projects. But even if they were not so committed, technical economic considerations would suggest that a sharp cut in investment in social overhead might ultimately throttle private as well as public activity. Further expansion of the private sector is conditioned upon a steady rise in purchasing power and a continuing expansion of transport, power and other services. Even steel might become a bottleneck if present plans were sharply cut back. On the other hand, if the core of the public program is to be maintained, imports can be sharply reduced only by restricting severely the licensing of capital imports for private Indian business.

In short, the volume of public and private investment required over the next decade to make full use of visible Indian resources for growth calls for a supply of foreign capital substantially above current levels. If this supply is forthcoming, there is an excellent prospect that Indian productivity and output will expand sufficiently over the next decade or so to permit India to carry without difficulty the higher level of foreign indebtedness which would result. If the supply is not forthcoming, not only will Indian development be threatened, but also a chance will have been missed for a practical demonstration of the complementarity of public and private activities which would be enormously persuasive in other underdeveloped countries with socialist preconceptions.

The conclusion might be drawn from this line of argument that what we need is not a more vigorous program of economic assistance in general but rather a special program specifically focussed

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on and tailored to Indian requirements. This, in our view, misses the essence of our case. A successful Indian program is important at least as much for the model it can set for political leadership in other underdeveloped countries as for its own sake. If our economic assistance program sets up the kinds of criteria for foreign loans that we believe desirable, emphasizing the productivity of such loans for domestic development, India will, over the next two or three years, qualify for a larger share than her population would suggest. But the program as a whole should be so designed as to provide maximum incentives for the leaders of countries less far along to concentrate their energies on preparing their countries to make similar take-off efforts at a later stage. Our attitude should be that we are ready to help any country that has demonstrated its determination to focus its energies seriously on the problem of meeting the economic and social aspirations of its people. This requires a Development Loan Fund with larger resources and a longer Congressional lease than exists under present legislation.

We should not be drawn by the exigencies of cold-war diplomacy into making investments which are unproductive and economically foolish from the standpoint of the development of the recipient. We will gain little long-run advantage from competitive blackmail. But we stand to gain a great deal as time goes on from a clear demonstration that we believe our interests and those of countries prepared to make a real development effort based on political consent are sufficiently common to justify sustained American investment.

India, under its present political leadership, has made the commitment to harness its nationalist aspirations to the tasks of modernization. The American stake in India is that this commitment shall not fail of its purpose. The more difficult task for American policy is to use our limited but real margin of influence to make it as easy and attractive for other transitional nations to do likewise. Among the many aspects of American policy which can contribute to this outcome, not the least important are the actions we take at this promising but difficult period in Indian history.

V

If we can, during the current examination of the foreign aid issue, clarify our national purposes in the program as a whole, establish the possibilities and limits of the rôle of private capital

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within it, and grasp the significance of the special case of India, it should be possible over the next year to build a stable and effective economic development policy for the longer pull. Essentially, three elements are involved: continuity, scale and coördination.

It is evident that the Development Loan Fund will not be able to fulfill its mission until its Congressional lease on life, is, by one device or another, extended. The Congress may wish to postpone such action until 1959, since the Fund is only now beginning to disburse loans; and it is reasonable for definitive action to await evidence of vigorous and effective administration in terms of criteria of productivity. Similarly, it is evident that the present *ad hoc* emergency aid to India will not do the job and that the flow of American lending must be put on a longer-term basis if Indian leaders are to proceed with confidence and the Second Five-Year Plan is not to falter dangerously.

With respect to scale, it seems likely that the Loan Fund and the level of assistance to India will both have to be somewhat expanded. It is difficult to be dogmatic until further examination is undertaken; but it seems altogether possible that the Development Loan Fund will be able to justify an annual disbursement rate of about $1 billion in loans when it has worked itself properly into business. So far as India is concerned, it seems likely that American loans on something like the order of $500 million per year will be necessary for the duration of the next Five-Year Plan and, perhaps, for some time thereafter.

The maturing of the development program requires, finally, that methods of coördination improve both in Washington and on the international scene. As the Loan Fund has emerged it is simply one of a number of American instruments for accelerating economic growth in the underdeveloped areas. Grants and technical assistance flow from the I.C.A.; the Export-Import Bank dispenses dollar loans, and is likely to do so on a rising scale; food and fiber surpluses are being increasingly used for development purposes—as working capital—rather than merely to salvage famine situations; and the Government, in its guarantee program and other arrangements can influence to a degree the flow of private capital abroad. Finally, the United States has some influence in the allocation of the hard currency loans available from the International Bank for Reconstruction and Development. There is evidently a need in Washington for strong central leadership in orchestrating these instruments around a coherent

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policy towards each of the nations applying for development assistance. The individual institutions and programs involved have grown up, each with its own history, criteria and *mystique*. Purposeful direction, backed by strong staff work, will be required in the Department of State to make them serve the nation's interests. In this connection, the *ad hoc* organization of $290 million for India was, on the whole, a hopeful exercise.

In addition, there remains the challenging and extremely important task of finding a method and an instrument for coördinating the economic development programs, now mainly bilateral, within the free world. There are powerful political undercurrents in Western Europe, Japan, Canada and elsewhere, which look to such a coördinated effort as a means of giving increased unity, meaning and vitality to the free world alliance. On the other hand, as the NATO conference of December 1957 revealed the countries of Western Europe are reluctant to commit themselves to an expanded and coördinated development effort until the American Government—in both its branches—exhibits the determination to build a serious and sustained program around economic (as opposed to military) aid. The passage of the current proposals before the Congress should open the way, over the next year, to the exploration of the enormous constructive potentialities of a common free-world economic development program in Asia, the Middle East, Africa and Latin America.

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THE CHINA IMPASSE

A Formosan View

By Lí Thian-hok

THE present tacit moratorium on the Formosan problem does not give hope that the question will simply resolve itself by the passage of time; it does provide an opportunity to ponder a solution of one of the major foreign policy dilemmas facing the United States. Before pressure to admit Communist China to the United Nations becomes irresistible, the United States should relieve itself of the anomaly of supporting a government which is held to be sovereign where it exerts no authority and which lacks sovereignty where it does.

For it must be remembered that the United States holds the legal status of Formosa to be in abeyance. It maintains that neither the Cairo Declaration nor the Peace Treaty with Japan has operated to make Formosa and the Pescadores formally part of China. To endorse the Chinese claim of sovereignty over Formosa was thought unwise, presumably because to do so would automatically link the question with that of representation of the two rival Chinese régimes, and thereby give legitimate title to whichever régime was victorious in the civil strife.

Both Chinese Governments, of course, claim Formosa and the Pescadores as Chinese soil on the basis of ancient historical connection, the predominantly "Chinese" ethnic origin of the population, and the Cairo Declaration, which stipulated that "Formosa and the Pescadores shall be restored to the Republic of China." As a result, the Nationalists are mistrustful of the United States and the Communists are enraged. The United States has also been placed on the defensive in the war of propaganda. For if Formosa is Chinese territory, then disputes between the People's Republic of China and Chiang Kai-shek groups in Taiwan represent a civil war and any foreign attempt to obstruct the liberation constitutes intervention in China's domestic affair.

But what if Formosa is not Chinese territory? It has wisely been said that nationality is what a people think it is, and Formosans think of themselves as quite distinct from the Chinese. Far from accepting the premise that Formosa belongs to China, a majority of the 8,000,000 Formosans are anxious for independ-

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ence—a fact of which Americans seem hardly aware. And this is the more strange because the principle offers the United States an honorable way out of its present policy predicament. The parties to the Japanese Peace Treaty, most of whom are members of the United Nations, are free under the Charter (which would legally prevail over the Cairo Declaration, according to Article 103) to dispose of Formosa and the Pescadores according to the principle of self-determination rather than to restore them to China.[1]

Yet the United States so far has only said that Formosa's status is undecided; it does not say that Formosa is not China's territory. Hence, it cannot repudiate the Communist claim of the right to "liberate Taiwan." Thus, by deliberately choosing the policy of non-commitment and ambiguity the United States has forced itself into an untenable position, and has supplied the Communists with a great leverage in the propaganda war. For they can readily persuade Asian neutrals that the United States is occupying China's own territory.

American policy has also been greatly weakened by the fact that the United States has retained *de jure* recognition of the Nationalist Government on Formosa. The United States has repeatedly declared that it recognizes the Nationalist régime as the sole and legitimate government of China. Since it is a fact that the Nationalists control only Formosa and the offshore islands of Quemoy and Matsu, the *de jure* recognition of that régime is easily construed as recognition of Formosa as Chinese territory. The American position is further worsened because of the Nationalist insistence that Formosa is a province of China. In order not to demoralize the Nationalist Government, the United States has been compelled to acquiesce in this interpretation, which has been so skillfully exploited by Communist propaganda.

To summarize, the inflexible policy of supporting the belligerent Nationalist Government has placed the United States in uncomfortable dilemmas. The United States does not want war, yet it cannot make peace. It has been dangerously gagging itself, while the Communists accuse it of interfering in the domestic affairs of China, the "liberation of Taiwan." It has aroused the displeasure of all parties concerned, the Nationalists, the Com-

[1] Quincy Wright, "The Chinese Recognition Problem," *American Journal of International Law*, July 1955, p. 333.

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munists and the Formosans. It has estranged the free Asian countries and its own allies. It finds itself increasingly isolated in the Formosa Strait.

II

As a way out of the Formosa impasse the so-called "Two Chinas" doctrine has been informally suggested. The fact that this policy has never been articulated by any responsible government spokesman makes it difficult to say exactly what it is. As far as one can gather, the policy involves the recognition of two separate independent nations: mainland China and Formosa China, each with representation in the United Nations. In a press conference held on January 20, 1955, President Eisenhower said that the Two Chinas idea was one of the possibilities that was constantly studied, but that both parties might be very reluctant to have it seriously considered.

This was an understatement. Both Chinese Governments have vehemently denounced the idea of Two Chinas as un-Chinese. The Communist leaders have staked their prestige to the very hilt by repeated promises to "liberate Taiwan." They seem confident that the Chinese on Formosa will not settle down permanently as exiles but will eventually come to terms with the mainland Chinese as repentant sinners. As for the Nationalist Government, to acquiesce in the Two Chinas concept means political suicide. It would be a grave mistake to regard the "Restoration of the Mainland" as a mere slogan for stirring up the flagging morale of the Nationalist armed forces and for attracting the loyalty of the overseas Chinese. A strong case can be made that conquest of the Chinese mainland is indispensable to the survival of the Nationalist Government. In order that the Nationalist régime may continue its claim to be the sole, legitimate government of China, it must keep insisting that conquest of the mainland is still possible and in preparation.

The myth of the "Restoration" is important also in justifying the dual structure of government by which the Chinese minority manages to retain political control of Formosa. The Formosans dominate all legislative bodies at the provincial level and below, and while the provincial governments run the day-to-day administration, they have no power to make any important policy decisions. These are made by the Central Government, which is built on the hypothesis that it still controls the whole of China.

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It is almost exclusively under the control of the mainland Chinese. The extent of this domination is illustrated by the fact that there are only 18 Formosans in the National Assembly of more than 1,500 members, and the proportion is about the same in the Legislative Yuan and the Control Yuan—the other important branches of the Central Government filled by "popular election." This disproportion in a country of 8,000,000 Formosans and approximately 1,500,000 mainland Chinese has of course been justified on the grounds that it is a transitional measure that will be adjusted automatically when the "Restoration of the Mainland" is achieved. Deprived of that possibility, the Central Government would have no *raison d'être.*

Yet the firm rejection of the Two Chinas idea by both Chinese Governments has not put an end to speculation on this solution. Especially in America, there are those who support the Two Chinas concept with the claim that Formosa's independence has been a fact for the past eight years and that the status quo is likely to continue. They also argue that the Nationalist régime on Formosa is based on "popular self-determination," and is hence legally and morally defensible. But the situation inside Formosa is not so stable and static as some of these have been led to believe. There are many factors at work which threaten the Nationalist régime; and the interplay of these factors may well, within the foreseeable future, free American policy from the dilemma of the Two Chinas.

III

It has been fervently asserted by many Chinese Nationalists and their supporters in the United States that the Chiang Kai-shek government on Formosa has now turned over a new leaf and that earlier defects are rapidly being corrected. A survey of the political and military aspects of Formosa today, however, does not seem to warrant this optimism.

Chiang Kai-shek maintains government control through two major instruments: the Nationalist Party and the secret police.[2] The Nationalist Party is financed, not by its own members, but from the government treasury. The party can, and invariably does, interfere directly with the official duties of party members

[2] Substantiation of the assertions made in this section may be found in: Fred W. Riggs, "Formosa Under Chinese Nationalist Rule," New York: Macmillan, 1952; H. M. Bate, "Report from Formosa," New York: Dutton, 1952; "Sorrowful Advice," *Time,* March 22, 1954, p. 63.

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in legislative assemblies and administrative offices. Its aims and methods are devoted to the perpetuation of its own power. The party, in turn, is controlled by Chiang Kai-shek, who has always made personal loyalty rather than ability or devotion to any particular political program the first requirement for his support of a subordinate. Individuals and groups with divergent ideas about national policy naturally gravitate into rival cliques. Instead of giving supreme leadership to any one of these factions, Chiang has used them to check one another, thus preserving his personal supremacy. The party, and consequently the government, is Chiang's personal instrument and, despite much talk of reform after the fall of China in 1949, the essential character of the party has not changed. On the contrary, it tends to be more authoritarian than ever.

The second and more powerful apparatus of control is the elaborate secret police network under Chiang Cheng-kuo, the Generalissimo's eldest son. Chiang Cheng-kuo is Russian-trained. His experiences during his long years in the Soviet Union explain why the method with which he now tackles the so-called "Communists" is so carefully modeled upon the Communists' own pattern. According to reputable American experts, the Nationalist Government is employing 25,000 "political commissars" in the army alone. These political officers are responsible only to the Ministry of National Defense, to which they report directly. They undermine authority and efficiency within the armed forces and generate mutual suspicion and intrigue. To the Ministry of National Defense come not only the reports of the political officers but also information from the municipal police, the military police and the Peace Preservation Corps, an organization of picked members of the party. The secret police has its own agents (answerable only to their chief) established in all of the police forces, schools, and public and private business organizations. It has complete power to arrest, detain and "interrogate" suspects.

The fearful feature of this situation is, of course, the lack of legal protection for the ordinary citizen. He can be arrested at night by a squad of secret police, tried by a military court-martial and sentenced, with little opportunity for appeal. Once taken into custody, the ordinary citizen is, in effect, at the mercy of the garrison headquarters. A person may be arrested because he actually is subversive; he can also be picked up because some-

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one who wants his job or property has denounced him as a Communist. Reliance on terror has bred insecurity and intense resentment, not only among the Formosans but among the Chinese as well. Behind the mask of ritualized loyalty there lies a seething undercurrent of pent-up frustrations and discontent.

Yet the relative inefficiency of Chiang's police controls, combined with social and economic changes beyond the power of the Chinese to control, make the Nationalists' position increasingly insecure. Of the island's 10,000,000 people, less than one-fifth come from the mainland, and these are predominantly single males and older couples. Given the high birth rate among the Formosans and the Nationalist ban on migration from refugee centers in Macao and Hong Kong, the Chinese face the future as a declining proportion of the island's population. Formosans now comprise more than 35 percent of the 600,000-man military force, and form the core of combat effectives. They are gradually moving up into higher echelons and, as the years go on, the armed forces will eventually become predominantly Formosan.

The gradually improving power position of the Formosans also owes much to the growing number of Americans scattered throughout the political, economic and military sectors of the population. The freedom of association granted to 8,000 or more Americans who roam the island in Buicks or on bicycles inevitably opens the door to uncontrolled communication between Formosans and outsiders. "Today it is not unusual for groups of Formosan students or professionals to visit American homes, speaking freely about police controls, requesting intercession against police oppression and criticizing Nationalist theory and practice."[3] More important, perhaps, the United States aid program is undercutting the complete political and economic dominance of the Chinese. Already highly literate, the Formosans are receiving managerial training, denied them by the Japanese, which makes them capable of taking over virtually all major operations. And Formosan capital controls most of the local enterprises.

There are, however, impressive obstacles preventing the Formosans from becoming politically articulate. There are no independent Formosan newspapers, no recognized Formosan political organization. Practically all active Formosans are forced to enter

[3] Allen S. Whiting, "Formosa's Future: Neither China?," *Foreign Policy Bulletin*, September 15, 1956, p. 7.

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the Nationalist Party. In external affairs the island's representatives are exclusively Chinese. These checks have so far prevented organized opposition from coming into the open. Yet there are dynamic forces at work under the deceptively calm surface of the political scene. So slow and subtle has this process been, it easily escapes the notice of V.I.P.s who regularly drop down on Pine Hill airport for a "fact-finding" tour.

Another important factor, of course, is the morale of the Nationalist armed forces, which is largely sustained by the conviction that they are preparing for an imminent return to the mainland and their homes and families. "Were they to be told that their main function was to defend the island in which they live as strangers, the effect on morale might be such as to make even this relatively limited task impossible."[4] The question may well be asked how long the false hope can be kept alive before disastrous convulsions shake the régime.

While hope of recovery of the mainland appears to recede ever farther into the future, Chiang Kai-shek maintains about 800 generals and admirals on full pay waiting for commands, a skeleton officialdom for the provinces, and the Central Government of China. Many of these leaders, and other Chinese, are beginning to realize that Chiang's military and political ambitions are untenable. Early in 1950, the morale of Chiang's followers dropped almost to the vanishing point. General Wu Shieh, deputy chief of staff, almost brought off a *coup d'état,* supported by a considerable number of professional army officers and bureaucrats. The Nationalist Government initiated massive executions to discourage further conspiracies. But the chief reason why the Government did not collapse was the renewal of hope, inspired by the outbreak of the Korean War, that the Generalissimo and his supporters could go home with American help. Now that the hope of reconquest of the mainland is again diminishing, the possibility of defections cannot be lightly dismissed. Only recently General Sun Li-jen, Chiang's former chief of staff, was dismissed and put under house arrest when it was disclosed that his aide and a large group of young army officers were plotting a *coup d'état.*

The Chinese Communist régime has adopted more subtle tactics since the Bandung Conference and now calls for the "peaceful liberation of Taiwan." While maintaining powerful bases and

[4] Riggs, *op. cit.,* p. 28.

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armies across the Formosa Channel, it subordinates hostile military gestures to undermining propaganda efforts. Relatives of distinguished Nationalists, summoned to Radio Peking, invite the émigrés home. In a statement issued in June 1956, Premier Chou En-lai offered to "negotiate with the Taiwan authorities on specific steps and conditions for the peaceful liberation of Taiwan," promised amnesty for past offenses, rewards for "meritorious services," and even invited the Nationalists to return to the mainland for short visits to their relatives and friends. Such tactics are likely to prove far more effective than the threat and bluster of an earlier period.

Under these circumstances, with Chinese morale declining and Formosan hostility increasing, what does the future hold for this island, sustained by the military and economic forces of the United States? The aging Chiang holds together a precarious régime, but how much longer can the status quo be maintained?

IV

Two distinct features run through the modern history of Formosa.[5] One is the continuous struggle for liberty against unwanted intruders; the other is the long periods of separation from China.

Throughout most of its history Formosa has been separated from China politically, by virtue either of Dutch or Japanese colonization, Chinese civil wars, independence, or lack of concern on the part of China. During its nominal reign over Formosa, the Manchu authority never succeeded in completely pacifying the island; nor was there any indication that the central government in Peking considered Formosa an integral part of China. This is borne out by the hands-off attitude of the Chinese Government in the face of a series of foreign expeditions to Formosa in the last century. In June 1867, an American naval expedition under the command of Captain Belknap made an ineffectual attempt to take punitive measures against the Formosan aborigines who had often inflicted outrageous acts on the survivors of American and other foreign vessels wrecked off the shores of Formosa. In 1871, a Ryukyu (Okinawa) vessel was wrecked

[5] The island's history may be divided roughly into the following periods: 1590, Western discovery by the Portuguese; 1624–1661, Dutch colonial rule; 1662–1683, the Koxinga kingdom; 1684–1874, a "protectorate" of the Manchu dynasty; 1875–1894, a province of the Manchu dynasty; 1895, Formosa Democratic Republic; 1896–1945, Japanese colonial rule; 1945 to the present, Chinese Nationalist rule.

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on the south coast of Formosa, and 54 members of its crew were murdered by Botan tribesmen. The Japanese Government presented an official protest to Peking and, unable to get satisfaction there, dispatched the famed expedition under the command of General Saigo in 1874. In both of these cases the reply of the Chinese Government was that it could not assume responsibility, because the outrage had been committed outside its jurisdiction.

From the beginning, Formosa was destined to become a spot for racial contact and conflict. Tension developed between the Dutch authorities and the Chinese settlers, and their descendants mixed with other elements. Unlike the aborigines, the Chinese Formosans wanted land ownership, which the Dutch refused. They wanted to grow rice more than sugar cane, but the Dutch preferred sugar to rice. In 1651, the Dutch began to collect a poll tax from every Formosan of Chinese extraction above six years of age. Unable to bear taxation and oppression, the Formosans in 1652 launched an open rebellion. It was crushed immediately, and more than 4,000 men, women and children were massacred. Under the Manchus also the Formosans were constantly turbulent. Partly because of the inefficiency and corruption of the Chinese officials and partly because of the frontier conditions, where no fixed pattern of life had been set and where heterogeneous social, cultural and racial groups had been brought together, the islanders continued to defy the suzerainty of the Chinese by "launching one disturbance every three years and one rebellion every five years." In 1895, after China ceded the island to Japan, the Formosans set up an independent republic and fought a desperate war of independence against the superior Japanese army. Even after organized resistance came to an end, the Formosans continued their struggle for liberation by resorting to guerrilla tactics and by launching 15 armed uprisings within half a century.

In February 1947, reacting against what they considered Chinese Nationalist maladministration and plunder, the Formosans again rose. By March 6 most of the island was in the hands of Formosan leaders headed by a Settlement Committee. The Committee presented demands for political and economic reform, including local autonomy and cessation of the "squeeze." The Chinese Governor accepted the demands in principle and then secretly sent for reinforcements from the mainland. The arrival of these reinforcements on March 8 set off the "March

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massacres," in which, according to first-hand reports of foreign observers, some 10,000 unarmed Formosans died. Some of the leaders who fled the island and many others have been active in the Formosan independence movement ever since.

This brief review will suffice to suggest that Formosa's past struggles and manifest sense of identity give her the right to claim nationality separate from that of China. Moreover, her desire for independence is real and offers a way out of the China impasse that is in the interests of the world community.

This has been recognized by several Asian countries and, in April 1955, Sir John Kotelawala, then Ceylon's Prime Minister, called for an Eight-Power Conference on Formosa, to include the prime ministers of the Colombo Powers (Burma, Ceylon, India, Indonesia and Pakistan), Carlos Romulo of the Philippines, Chou En-lai, and Prince Wan Waithayakon of Thailand. It was reported that Ceylon was planning to propose that Communist China renounce all rights to Formosa and that in return Nationalist China's sovereignty over the island would also end. According to *The New York Times:* "The Ceylonese leader's plan calls for a five-year trusteeship by either the United Nations or the Colombo Powers over the island to replace its present administration. After five years the Formosans would vote in a plebiscite to determine their future form of government."[6]

The establishment of a free, independent state of Formosa as a solution has many advantages and justifications. The strategic, political and psychological importance of Formosa is such that the United States cannot lose the island to the Communists without suffering a severe blow to its prestige and presumably to its security. But if Formosa is to be kept in friendly hands permanently, rather than until such time as it may be abandoned with a modicum of grace, then a final settlement of the island's legal status appears necessary. An independent Formosa can rid the United States of the dilemmas arising out of its support of Chiang Kai-shek. The United States need no longer commit itself to the all-or-nothing proposition that Formosa must either conquer China or perish. There will be no problem of sustaining the morale of the people and the armed forces, since the Formosans have a healthy distaste for any Chinese rule, and will eagerly

[6] *The New York Times,* April 22, 1955. Similar proposals have been advanced by Clement Attlee, Adlai Stevenson, Chester Bowles, Walter Lippmann, Eleanor Roosevelt, Professor Allen S. Whiting, and others. The Formosan Democratic Independence Party also advocates the trusteeship-plebiscite-independence formula.

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defend their native soil against aggression. By relieving the Chinese Communists of a constant threat of counterattack by the Nationalist régime, and at the same time depriving them of a "legal" pretext for the so-called "liberation of Taiwan," tension across the Formosa Strait may be materially relaxed. Though in all likelihood Communist China will continue to claim Formosa as Chinese territory, its case will be greatly weakened, for it cannot oppose the principle of self-determination without considerable embarrassment.

By separating Formosa from the issues of Chinese representation in the United Nations and recognition of the Chinese Communist régime, the United States can recover freedom of action. If Formosa were independent and an ally, the United States would have every legal and moral justification for defending the island, and allies of the United States, the uncommitted nations of Asia and countries which recognize Communist China would be able to support such efforts.

There is also a strong moral argument for a free and independent Formosa. The Cairo Conference handed Formosa to China without consulting the Formosan people, and thus was in violation of the Atlantic Charter and the spirit of the United Nations Charter. Like other peoples who have sought freedom, Formosans look to the United States for defense of these principles. To the Formosan people the United States is the symbol of democracy and freedom, and the indispensable ally in their struggle for independence. Rightly or wrongly, they believe that the United States has a moral obligation to support their aspirations, because it is the country which has largely given them such hopes and ideals, but also because the United States was primarily responsible for the Cairo decision, which denied the Formosan people their basic human rights, brought them insecurity of life and livelihood, and compelled them against their wishes to become involved in a civil war in what to them is an alien country. Support of Formosan independence would thus serve a broad moral purpose as well as particular political and strategic purposes. It would show that the United States is truly committed to supporting free peoples who are resisting attempted subjugation by armed minorities or outside pressure.

Some staunch supporters of the Nationalist régime have maintained that the existence of "Free China" is essential to keep alive aspirations for freedom among the Chinese on the main-

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land, and to attract the loyalty of the 12,000,000 Chinese in Southeast Asia. But "Free China" is not free and Chiang has very little credit on the mainland or among overseas Chinese. And even if the Communists were overthrown because they too had forfeited the Mandate of Heaven, it is most unlikely that they would be succeeded by Chiang Kai-shek or his successors. As for the overseas Chinese, it is a hopelessly long-odds gamble to try to build up Chiang Kai-shek as a symbol for their future. Their latent threat to the stability of the region can best be minimized by encouraging them to take part as normal citizens in the communities where they reside.

The Chinese, both Nationalists and Communists, will object to an independent Formosa on the ground that Formosa is a Chinese territory and that the Formosans are "Chinese." But legally Formosa is not Chinese. Historical evidence does not support the theory that Formosa has always been an integral part of China. If title can be claimed on the basis of past colonization, perhaps the Dutch are more qualified to claim the island. Although the Formosans are predominantly of Chinese extraction, this in itself does not make them "Chinese." The fact is that they have come to regard themselves as a distinct nationality group due to their common historical experience, the modifying influence of geographical environment, and from sharing a way of life, a set of values and mores, and a common attachment to their native land. The sense of nationality, as distinct from race, is not biological but spiritual. As Renan has put it: "What constitutes a nation is not speaking the same tongue or belonging to the same ethnic groups, but having accomplished great things in common in the past and the wish to accomplish them in the future."

In population and industry Formosa is comparable to the majority of the independent nations of the world; in cultural advancement (90 percent literacy) and social organization (law-abiding and public-spirited) the Formosans are highly qualified to manage their own affairs. If the destiny of 8,000,000 Formosans is given into their own hands, a dynamic and constructive society may gradually emerge out of the present maze of confusion and bitterness. Formosa could become another outpost of democracy in the Far East.

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ITALIAN DEMOCRACY FACES ANOTHER TEST

By Amintore Fanfani

WHEN Italy holds her major election this spring, the present parliament—the second in the history of the Italian Republic—will have lasted longer than anyone foresaw after the indecisive election of 1953. This is because of the responsible behavior of the democratic parties, and primarily, if I may say so, of the Christian Democrats, who had to carry the burden of an extremely difficult parliamentary setup which precluded the formation of any kind of broad, stable and effective majority. The election of this parliament, on June 7, 1953, produced a very small non-Communist preponderance, and when this was resolved into its component parts there was no way in which the democratic parties could alternate the assumption of responsibility; the whole burden lay upon the Christian Democrats, and they did not have a majority.

A long series of changes of cabinet leadership and would-be cabinet leadership ensued—the generous but ill-starred effort of De Gasperi, the withdrawal of Attilio Piccioni, the so-called holding operation of Pella, my own attempt to make up a single-party government, and finally the Scelba cabinet, based on an unstable coalition of the center parties. Scelba was followed by Segni, who functioned on the same basis as his predecessor. This state of affairs ended in May 1957, when the situation was resolved by Zoli, who self-sacrificingly undertook the difficult task of ruling the country with a minority cabinet.

The last five years, then, have been marked by much difficulty and tribulation, with seven governmental crises and eight attempts to form a cabinet, of which four were successful. But in spite of everything, these years have not been sterile. Italy has become a member of the United Nations, has reëntered Trieste and has signed various treaties of European collaboration. The *Cassa del Mezzogiorno,* the financial institution formed to further the economic and social development of the South, has been broadened in aim and reinforced with larger means; funds for the relief of depressed areas in the central and northern provinces have been nearly doubled; and the financing of the Land Reform program is almost completed. The *INA-Casa* plan, which aims at

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providing housing for the very poor, has been extended, and steps to eliminate unsanitary dwellings have been approved. Unemployment has decreased. Budget liabilities have been diminished from year to year. Economic progress has been continuous, as proved by the steady increase in the national income; this now surpasses what were supposed to be optimistic estimates of the Vanoni Plan.

Even more could have been accomplished, of course, if the parliamentary situation had been clearer. The principle of majority government was damaged by the frequent indulgence in free-wheeling by the other democratic parties. Every time they withdrew they created a situation disadvantageous to the Christian Democrats and favorable to the Communists. In fact, the 1953 election was a cause of rejoicing for the Communist chieftain, Togliatti. It facilitated the manœuvres of Nenni's left-wing Socialist Party and brought it increasingly under Communist control. Today Togliatti naturally is hoping that the new elections will repeat the 1953 pattern and produce a similarly unstable parliamentary situation.

Exactly what does Togliatti have in mind? Our guide is the resolution signed recently in Moscow by the representatives of 64 Communist Parties calling in substance for the choice of parliaments which, helped by judicious political agitation, will open the way for the overthrow of democratic régimes. By means of other "June 7s," Communism aims to put in office all over Western Europe the weak sort of parliaments which can serve as "ramps for launching the missiles of Communist revolution." Moscow will certainly lend its support to its Italian puppets in the coming election. I believe, however, that this will produce the contrary effect to the one intended, as happened in the German election of last September.

If the Soviet Union wished to give an honest demonstration of its will to peace, it would leave the Communist fifth columns in Italy and other Western countries to fend for themselves. Italy is ready and willing to seek peaceful relations with any and every other nation, but only in an atmosphere of freedom and security; it cannot have such relations with a nation which places a fifth column inside its gates and thus shows that it is playing a double game. In all the Russian peace offers there is this obvious joker. It is out of the question to come to a serious understanding with Russia until she ceases to use parties operating under her direc-

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tion to influence the domestic policies of the countries with which she professes to want to negotiate.

Many Western observers, especially in countries where there is no strong Communist Party, seem not to be aware of this fundamental ambiguity. Those of us who have constantly to deal with large Communist groups therefore must pass on what experience has taught us. Khrushchev did away with the cult of Stalin for his own political purposes, but for some reason he cannot seem to see what an obstacle it is to his policy to support Communist Parties in nations with which he wishes to reach a truce or even, perhaps, a permanent agreement. He has launched rockets and sputniks carrying helpless dogs into outer space, but until he makes up his mind to dissociate Russia from the Western Communist Parties none of his peace proposals can obtain belief or welcome. On the other hand, he must know that the Soviet Union cannot venture to start a war without condemning itself to destruction. The thought that other countries, too, would inevitably be destroyed is no consolation. Yet the Soviet Union continues to arm itself to the teeth. Whenever it discovers a new weapon it launches another shadowy peace proposal, but without demobilizing a single one of the Communist Parties which are paid to work in its behalf in nations belonging to the opposite camp.

Since armaments are enormously expensive, especially in the nuclear and intercontinental ballistics field, Russian economic and social advancement is blocked. This cause and this effect are both in direct contradiction with two loudly proclaimed Russian aims: social progress and international peace. Out of this contradiction grows the state of turmoil which now prevails in the Soviet Union for all to see. In their confusion the Soviet leaders alternate, within the space of only a few days, between offers of economic aid in the Middle East and menaces of aggression there; and in the West they alternately launch sputniks and peace letters. In all world history there has been no one to compete with Bulganin in sheer volume of correspondence addressed to the heads of other governments. But the more promises the Russians make to the Middle East, the more suspicions they arouse, as was shown by the Cairo conference and its aftermath. And the combination of sputniks and peace messages has not lessened the Western mistrust that assumed such proportions after the disillusionment over the summit meeting at Geneva.

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There is one proof of good faith to which Khrushchev can still have recourse: he can shelve the two-way collaboration between the Russian régime and the Communist Parties abroad. Actually, unless he thinks they can be successful in bringing about a violent revolution, they are nothing but an expense and a source of embarrassment to him; and I can assure him that in Italy, at any rate, their violent aims will never succeed. In plain words, Khrushchev must choose between two courses: either he must act as a Communist seeking world revolution or as a patriotic Russian intent upon preserving world peace. The two are incompatible. When Bulganin sends Italian Premier Zoli proposals of coexistence, why does Khrushchev continue to second Togliatti's effort to win an electoral victory that would change Italy's present relationship to the Soviet Union into one of subservience and dependency?

Common-sense Italians see this. They realize that even in the midst of a debate over the feasibility of coexistence there can be no slackening of the struggle against Communism. If Communism is going through a crisis, there is hope that opposition may aggravate it; if there is no crisis, then the aim must be to provoke one that will lead to the possibility of genuine coexistence.

Some Italians will object that we have struggled for ten years, and Communism is still with us. They should stop to think that whereas in some parts of Europe the Communist Party has grown from a minority status to one of absolute power, here in Italy we have the opposite situation. Ten years ago, just before the April 1948 election, the Communists claimed that they would throw out De Gasperi and the other democratic leaders. Now they are on the defensive. They publicly admit a drop in Party membership; leaders in Milan, Naples and Sicily have fallen away; the Communist labor unions have been steadily losing ground to the democratic ones. No, the democratic parties—and chief among them the Christian Democrats—have not waged their ten-year anti-Communist struggle in vain. And I can add that they have managed to conduct it in an atmosphere of liberty.

Nevertheless the Communists are still sufficiently strong for us to need to continue the effort to weaken their grip on the various groups that serve, believe in or submit to their ideology. We must not only confute their errors of ideology but stress the wrongness of their violent acts, as in Poland and Hungary. We must strengthen the defense of liberty, not allowing ourselves to

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be intimidated by the clamor which this liberty allows the Communists to raise against us, and despite the fact that if ever they should come to power they would instantly suppress it.

Recent Russian successes in the field of missiles should not make us forget that Khrushchev himself confessed political bankruptcy in his report to the Twentieth Party Congress in Moscow in 1956. The true significance of this report and of the motion which the Congress subsequently adopted was not so much that they condemned the personality and achievements of Stalin, but that they admitted the failure of the Communist system and its fundamental doctrines. For they tacitly admitted that the fall of Tsarist autocracy was succeeded by another tyranny equally brutal. Khrushchev's report did not stop with criticism of Stalin and a call for the abandonment of the cult of personality, but quite unintentionally went on to demolish a whole system and the principles on which it is founded. This is why it can be said to mark the opening of a Communist crisis, a crisis on a world scale, because it is not limited to ways and means but concerns essential doctrine. The Communist leaders, big and little, of course deny all this. What else can they do? But despite their smoke screen, the entire world has understood the fact of crisis, and I do not mean only non-Communists and Socialists but the Communists themselves also.

If the purpose of Khrushchev's report and the Twentieth Congress's interpretation of it was to reinvigorate the Communist Parties abroad the effect must have surprised him, for it took the form of an earthquake in almost all of them. In other words, Khrushchev's revelations overshot the mark. If the second purpose was to increase the flexibility of the Communist system all over the world, by facilitating so-called independent action by the Party organization in various countries, here too the effect was unexpectedly far-reaching. Local Party organizations began to originate directives of their own which did not necessarily coincide with Moscow's. Hence the reëvaluation of Tito and the consolidation of his heresy, the encouragement of Poland's move to differentiate itself from Russia and the impetus given to independent thinking in Hungary, which led in the end to insurrection.

The third purpose of the Twentieth Congress was to rebuild a common front with workers' organizations abroad. The actual result has been that more and more workers have deserted the

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Communist front in favor of democracy. The fourth purpose was to recreate unity of action between Socialist and Communist parties and pave the way for the latter's rise to power. Again, failure. Social Democratic elements have reëmphasized their traditional independence. Some extreme left-wing Socialist parties have split, as in the Republic of San Marino, or, as in Italy in the past two years, have continued to bicker and dispute.

As time goes by and we get a longer look at events in Poland and Hungary the Twentieth Congress assumes increasing importance. Poznan, and later the debate before and following Gomulka's accession to power, showed that the evils denounced by Khrushchev existed not only inside Russia but in the satellite world also. Marxist predictions and Soviet propaganda concerning the liberty, progress and well-being to be brought by Communist rule proved simply not to be true. The Hungarian revolt gave even further confirmation of the failure. It showed that the weakness of a Communist society cannot be blamed simply on one or more individuals. The reasons for the revolt went far deeper than that; for the misery of Hungary the system as a whole was to blame.

Those who have not detected the conceptual character of the Communist crisis have fallen in with the attempts of Khrushchev and his foreign lieutenants like Togliatti to minimize the whole thing and reduce it to its mere consequences. From the start they did not appreciate the real vastness, character and import of the crisis; and after "order" (slavery) was restored in Hungary, and the Soviet empire did not collapse, they concluded that the crisis either was non-existent or was trivial and passing. Those who confuse the essential crisis with its superficial repercussions, particularly in the organizational and electoral fields—who evaluated it, that is, in terms of Communist Party membership losses and diminished voting power—fell into a similar error. They did not even admit the existence of a crisis until a few intellectuals broke away from the Party or some thousands of voters failed to cast a Communist ballot. And when this decline leveled off, they imagined that the crisis itself was finished.

These unseeing people have in fact followed the line of the Communist leaders. When uneasiness and dismay were at their height in the Party how did Togliatti deal with the doubting Thomases? By distributing a manifesto which claimed that a large part of the globe was under Soviet domination. Later, at the

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first faint sign that the Communist electoral losses were being checked, he issued another statement accompanied by a map with arrows pointing to the localities where Communism had ceased losing votes.

Are we to accept Togliatti's way of reading the Communist temperature? If the health of the Roman Empire was to have been judged by the extent of its conquests, why, in the second century after Christ, was it well on its way to an irreparable decline? Or why did Spain suffer the same fate, halfway through the sixteenth century? Or Napoleon, at the beginning of the last century? And all the European colonial Powers in the first half of our own century? The validity of a social and political system and the strength of its foundations are not to be measured in square miles of territory. Indeed, territorial expansion is more likely to bring out its underlying weaknesses, if such there be. In the light of history, Togliatti's map foretells future decline rather than future aggrandizement. Similarly, the mere number of favorable votes, no matter how enormous, means nothing at all if they have been obtained by coercion.

Though the Communist crisis has so far been in the field of theory and doctrine and thus has been chiefly felt among the intellectuals, it probably will spread to wider circles. How rapidly this happens depends on, first, the degree of friction within the Communist system itself, and second, the vigor of the democratic response. Moscow has already put on the brakes. Has the reaction from our side been consciously thought out in adequate terms? Has it not, rather, been confined to an ingenuously optimistic feeling that the whole Communist edifice would crumble of its own accord? Those of us who are so complacent have not meditated sufficiently upon the Gospel warning that even a house built on sand does not crumble until a torrent sweeps it away.

Perhaps the skill of the Communist leaders was a less influential factor in producing this reaction in the West than was the shortsightedness of Western intellectuals, the laziness of Western organizers and the mutual jealousies of Western nations. Let us face the fact that neither individually nor as a whole have the confessions of failure made by the Twentieth Congress, Khrushchev's errors, the unrest in Poland or the insurrection and repression in Hungary brought the Western cause the advantages they should. It was not that the Communist crisis was unimportant or superficial. It was that our side was totally un-

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prepared to put it to good use. Today, if we really were aware of our deficiencies we should not simply be lamenting the opportunities we have lost but we should be proceeding to make what we can out of the tail-end of the situation.

I do not mean to advise impatience. Our aim is not to die in a bloody war against Communism. Our aim is to outlive Communism, to build a better society that will make Communism seem old-fashioned and sterile.

Meanwhile, even if Communism ceased to function, the non-Communist world would still have to worry about the empire to which Communism has given birth. The Communists are wrong in saying that the construction of this vast empire proves the validity or solidity of their political system. But they are right when they claim that the non-Communist world has got to take the world of their creation into account. The clamor about coexistence gives us—and is meant to give us—the illusion that the risk of a world war is less. But not even the Moscow theoreticians who have dreamed up the coexistence idea go so far as to say that it means an end to Communist expansion. On the contrary, they view peaceful coexistence as a period of truce, the period in which will be prepared a still greater triumph of Marxist and Leninist ideas.

If free men can accomplish such great things as they do for human progress, there indeed is ground for hope that internal Communist revolutions can be avoided in their Western societies. But how are they at the same time to stave off risks from the outside? The Soviet Union is a great territorial, economic and military Power, with a large population, immense natural resources, a very big army equipped with both traditional weapons and the new arms of the atomic age, and an adroit foreign service.

Against these the free nations must mobilize vision, generosity, firmness and keen intelligence in forming a united defense of peace and freedom. As early as September 25, 1956, Chancellor Adenauer warned: "Thanks to the political disunity of the West, Russia is continually strengthening its position as a world power." Facing the danger represented by a billion people living in a society of definitely atheistic inspiration, it is the duty of Christians to unite all available forces; and where unity is not possible, to integrate and coördinate economic and political action. Already the Western countries have many organizations in common: the Council of Europe, NATO, Euratom, the Common

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Market, the European Coal and Steel Community, the European Economic Community. These must be put and kept in good working order if we are to match the monolithic action of the Soviet bloc. The United Nations must also be made to function more effectively. All these undertakings face obstacles. The very respect which Western nations have for the human person, the individual nation and the democratic procedure limits the prerogatives which they are disposed to grant to organizations and permits only certain forms of coöperation. This means that we must intensify our efforts to prevent discord and disagreement. In the ten years between 1945 and 1955 unity of purpose has accomplished great things against the Communist danger. The recent instances of disharmony should recall to us all the more forcefully the accomplishments of harmony.

The leaders of specifically Christian parties who have been active in European political life have never aspired to create a Carolingian Europe or one under Vatican control. They most emphatically have wished to see Europe attain a necessary degree of unity, and in office or out they have continued to work toward that end. Thus in 1955, at a time when many proponents of European unity were profoundly discouraged, Christian leaders, meeting at Salzburg under the auspices of the *Nouvelles Equipes Internationales,* gave fresh impetus to the ideas formalized under the names of Euratom and Common Market.

By proposing a policy of coexistence, the Communist leaders are trying to make hesitant peoples believe that their civilization can triumph by strictly peaceful means. In this connection, we recall the contest of soft words and smiles at the Geneva conference in 1955. But this conference did not turn out to be entirely a psychological defeat for the West. The fact that in the end the Russians turned down Eisenhower's proposal of aerial inspection showed their fundamental bad faith and convinced many doubters of his disinterested zeal for peace. This episode, considered as a phase of the psychological or cold war, must not be forgotten.

Now, after marking time following the Twentieth Party Congress, the Communists have come up again with the proposal of coexistence. The whole idea demands reëxamination. Undoubtedly it has practical reasons behind it, above all, of course, the frightening advance made in the field of atomic weapons. The Communists have hastened to explain that another reason is the

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conviction that, in peaceful competition, their system would win. With the idea that they could conquer without fighting, they have chosen not to fight. We should have even greater confidence than they. The fact that in Poland, Hungary and even Eastern Germany the younger generation, educated by the Communists for Communism, have initiated criticism and revolt shows that control of the educational system is not enough to negate independent thinking. There, and in Berlin, too, the ideals of political liberty, real elections and free speech were sufficiently powerful for men to die in their behalf.

To accept coexistence does not mean that we must tolerate Communist preparations for subversion and localized war. We must accept it only in the belief that Communism eventually will give way to justice and liberty. We must enter into it with open eyes, ready to discuss disarmament and ready both to practise it ourselves and to insist that the Russians practise it too. We must condemn aggression and we must prevent it from occurring. We must combat subversion. Above all, we must achieve such social progress that there is no need and no excuse for internal revolution. It is in this spirit that the Christian Democrats combat Communism in Italy.

In the hope of prolonging the present weakness of the Italian Parliament, the Communists are attacking the democratic parties with every means at their command. Their prime target is the Christian Democratic Party, which they accuse of hoping for a repetition of April 18, 1948, so that it can assert absolute sway over its democratic collaborators. But what was in fact the meaning and result of this April 18 to which the Communists refer? The Italian people on that date gave the Christian Democrats an absolute majority in one house of Parliament, and with it a chance to bear witness to the genuinely democratic character of their ideals and their honest desire to collaborate with other democratic forces. Under De Gasperi's leadership they used their majority not as a blunderbuss, but only as a reserve weapon. Through collaboration with other parties they sought to obtain an even broader majority than was necessary to them. These parties collaborated when and as they chose, according to their various principles and opportunities. The very fact that the Christian Democrats had reserve strength enabled the other democratic groups to act freely.

We hope that in the coming election the Christian Democrats

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will emerge stronger than before, both in order to ensure freedom of movement to at least a part of their political allies and at the same time to forestall any risks that might arise from such freedom. Is this result possible? Possible but not easy. Changes in the electoral laws make it unlikely that we shall see a repetition of the election of June 7, 1953; for the 10,857,000 Christian Democratic votes cast on that date would today elect 250 instead of 262 deputies to Parliament. In order to secure 262 deputies this time we shall need 911,000 additional votes. And we must take these votes not from the center parties but from the extreme Right and Left. Carrying the comparison back to 1948, if we were to obtain the same number of votes as we did on April 18 of that year, we should have not 302 deputies, as then, but only 275—that is, 21 less than needed to constitute an absolute majority. In case we do obtain an absolute majority, we shall seek a broad basis of collaboration with all democratic groups; and, of course, if our majority is less than absolute, it is even more obvious that such collaboration will be our aim.

The analysis made in these pages will have made plain that the West cannot brace itself to meet the mobile diplomatic offensive initiated by Khrushchev with the single weapon of diplomacy. Every member nation of NATO must be internally strong in order to contribute effectively to the combined defense effort and the international peace effort. In this perspective the forthcoming Italian election is of far more than domestic importance; it is a matter of concern to free men everywhere. For it will provide a new reading of the temperature of Communism after a series of critical international events, including the recent Russian political manœuvres and the readjustments which have since been taking place in various parts of the world.

One thing is certain. A great transformation of the Communist system and of international relations is under way. It would be sad if the West were to fight tomorrow's political battle with the weapons of times gone by. On the other hand, the crisis which has now opened presents opportunities as well as dangers. It can be of positive benefit if, as has so often been the case in the history of free peoples, we grasp the nettle firmly and do what must be done to recover the initiative.

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NEW INITIATIVES FOR A NEW AGE

A German View

By Wilhelm Wolfgang Schütz

EVERYWHERE there is doubt whether the old Great-Power system still exists as it always did. Now it is natural enough for statesmen to hold on to yesterday's concepts even in times of change. The politician gets accustomed to a certain lingo just as the violinist does to a certain stroke with his bow, or the carpenter to the rhythm of his hammer. He supposes, too, and with reason, that familiar words may move the soul of the people the way they have always done. Yet recently many of the most familiar words—security and peace and power, words which hardly any policy can get along without—have lost some of their weight. People all over the world want the same things, perhaps even more sincerely and fundamentally than ever before. But when politicians refer to those things in the same terms that were effective in the past, using the same voice and the same intonation, many people begin asking themselves whether this really does justice to the demands of our time.

Doubt on this score is particularly strong in Germany, for here the sense that times are changing is very acute. Because their country is divided, the Germans are forced to live simultaneously in two worlds and thus are affected by everything that occurs in either. Inevitably the shocks of the past years have reopened the deep wound of their division and have made them more acutely conscious of it than they had been in a long time. Furthermore, the fact that the free world is on the threshold of missile and atomic armaments faces it with monumental strategic and technical decisions, and this in turn means that the Government of the German Federal Republic is suddenly pushed into strategic decisions for which the nation as a whole is hardly prepared. Simultaneously a new wave of terror and church persecutions in East Germany is arousing even those in West Germany who had meantime settled down quite comfortably.

However, these specifically German events are not alone in making the ground tremble; they gain their real importance through their connection with world-shaking developments.

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One of the excitements of writing history is to track down the exact moment and the very events which have made men realize that a new age has begun. When the historian of the future tries to do this for our times he will probably be surprised to find how long it took the realization to dawn even on educated people. Thus the rise of the Soviet Union to the first rank of power, with everything which this implies, was long denied; many people simply refused to recognize the corresponding loss of power for the West and tried to spare their wounded ego by self-deception. Similarly there was hesitation in realizing that Asia and Africa, where Western influence had so long been predominant, were steadily gaining importance in their own right, partly on account of technological developments, partly through a psychological and intellectual evolution. And each successive development of the nuclear age, even when predicted, has found public opinion unprepared.

The reactions of the average European toward these and other world-wide revolutionary changes were conservative. It was comfortable to conclude that the security provided by the Western community would continue. Yet this was shown to be a miscalculation when the Soviet Union upset the uneasy balance and succeeded in breaking into the Western security system on the flanks, particularly in the Near East. Conservative power arrangements proved insufficient to preserve the balance, let alone change it in favor of the free world as Western thinking had expected.

The instruments of power which the Western nations are emphasizing today are still mainly of a military nature. Compared to what they spend for defense their expenditures for intellectual or economic assistance are insignificant. Furthermore, the accent has been on efforts to formalize the Western system in binding agreements and pacts wherever possible. This procedure is highly traditional, like the old type of navy which relied for its strength on impressive battleships. Flexibility, adaptability, quick and surprising manœvre can hardly be expected from such ponderous structures.

It may be said in favor of this policy that it has accurately reflected public opinion in the countries concerned, where the drive for security, stability and freedom from worry has been very strong. Many elections have been won by pointing to the spectacle of pact systems sailing proudly along, and many appro-

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priations of funds have been extracted in the same way, even from stingy parliaments. Yet is this the method to beat a flexible and aggressive opponent? Specifically, does it appeal to nations which are not conservative and prosperous? Does it take account of the nationalistic forces in Asia and Africa which are of a different mind from the patriarchal upper classes? Agreements and preparations to meet a threatening attack from a third party are useful; but is a pact good when it commits the partners to political and economic actions in distant areas? To state the proposition in positive terms: the alliance has value and importance as an instrument of military security in a strictly limited sense; but the attempt to activate or reactivate pacts of a military nature by making them serve political and ideological purposes places undesirable and unnecessary limits on the political and ideological potentialities of the free world.

The free world possesses assets in ideas and in economic strength beyond those represented in the membership of the various military pacts. Consequently, it would be a grievous mistake for the free world to take up such problems as the construction of irrigation systems, hospitals or technical institutes in Asia and Africa through existing pacts. An elementary rule ought to be never to give nations in those areas the impression that the West supports them mainly because it wants their help in defense. Otherwise the opponents of the West will easily make it seem that the economic and technical aid which they offer in competition does not have the strings which are in fact attached.

It seems necessary, then, for the West to undertake a new enterprise of coöperative action on behalf of all the free nations of Asia and Africa, completely divorced from political and strategic patterns. If this international effort were carefully separated from all alliances and pacts, allied and neutral countries alike could participate and contribute their share. Particular importance should be attached to the inclusion of both donors and recipients of economical and technical aid in the common enterprise.

Granted that although the resulting changes might in general be very much in the Western interest, they also might lessen the strength of existing alliances. Now it has become an established attitude in Western capitals over the years that any proposed change in foreign policy was to be considered first of all from the point of view of whether or not it would alter the pact

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system in any way. If there was a suspicion that this might be the case, some Western political circles reacted as if a Geiger counter had touched a radioactive spot. Any change that threatened to subtract from any alliance in even the smallest degree was rejected. The dominant motive was the conservative aim of grimly preserving the status quo.

For those who felt this way even the revolutionary tremors that kept occurring again and again during the past five years in the Soviet orbit were almost more a shock than an encouragement. The uprisings in Germany in June 1953, then the overturn in Poland, followed by the fight for freedom in Hungary in 1956, did not really rouse their enthusiasm or warn them to work toward a quicker change of things or even make them realize that their own attitudes and ideas might here and there have failed. On the contrary, fear could be detected behind their applause—fear that the entire system of power in which they had put their trust might be shaken. The fact was that the attitude of the Western world was basically too conservative to feel any challenge to fresh action. People did not dare question whether their own planning had been developed adequately to take account of such eventualities. There was—as always—a mute hope that once again they might get by, even at the gigantic price of having to fail in the face of a fight for freedom.

Since a conflict in Europe would almost certainly lead to a major conflagration, and this would leave the entire Continent a graveyard, military action has been and will be impossible. The question therefore arises whether, military action being excluded, political action is possible. If not, the policies and methods of the free world are bound to imply the maintenance of the status quo and thus indirectly guarantee rather than upset the rule of Communism up to its present borders.

Obviously—and this is generally accepted in Europe—no policies or actions can be contemplated which would not maintain a firm balance of power on the Continent. For many years to come such a balance will not be possible unless the sea Powers, and particularly the United States, remain firmly established there. Whatever new initiatives are contemplated, then, will always have to be tested against this basic prerequisite.

But events in Central and Eastern Europe from 1953 to 1957 have clearly shown that the gradual evolution of liberty, and therefore also the reunification of Germany, are hardly con-

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ceivable so long as Soviet forces remain there. It is still an open question, one which probably even the historians will be unable to answer, whether a bold political initiative by the West in the autumn of 1956 proposing negotiations for a mutual withdrawal of forces from Central Europe could have brought aid and succor to the Hungarians and the Poles. But as they look back on this period, and as they look ahead also, many Europeans feel that only this kind of approach can lead to the rise of freedom and the eventual decline of Communism in Europe.

Possibly such a policy would involve putting certain limitations on existing pacts. Can this be considered without endangering the entire security system of the free world, and particularly the presence of American and British forces in Europe? The answer will depend on what the basic aims and purposes of the present pacts really are. The Atlantic Pact seems to be looked upon as something more than an instrument of military assistance and defensive preparation. It is a necessary means (the argument runs) for keeping the United States under an obligation to come to the aid of Western Europe in case of attack and for keeping Germany from engaging in dangerous adventures.

As far as Germany is concerned, she no longer has any possibility of playing the balance-of-power game even if she would. She no longer is in a position to choose and exchange partners irrespective of their strength or ideology. Compared with the Soviet Union, which has become a world Power, Germany is now a medium Power, unable to hold her own if she were ever to cut her ties with the free world and change over into the Eastern camp. No responsible group in Germany doubts that such action would deprive her of her independence. Nobody, therefore, takes seriously the lingering suspicion that Germany will ever join the Eastern bloc or even go halfway by indulging in a balance-of-power policy. Consequently this reason for keeping Germany under restraint is now quite unreal.

In the same way, doubt about the reliability of the United States as a firm and determined partner exists only in those European quarters where it is deliberately nourished. Europe as a whole understands the difficulties of recognizing and implementing common interests across vast geographical distances. Nevertheless, nobody fears that even those free countries in Europe which are not included in the Atlantic Pact would be left to their fate if their liberty and integrity were threatened. In these fateful

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years the average European seems to have learnt to be more sober in judgment than those who rely on common façades of power to reassure themselves regarding the reality of common interests and beliefs. Nobody in Europe, for instance, thinks that if Vienna, Stockholm or Berne were to call for help against aggression the appeal would be in vain. Everyone is convinced that common interests and common ethical standards would bring the Powers of the free world into the field even if the bridge of paragraphs did not exist.

However, in order for a feeling of community to become an intellectual and political reality and also to act as a strategic fact in an emergency requires the existence of a clear and firm public opinion in the nations concerned. Is the free world really so lacking in this responsible public opinion that it has to pay the enormous price of a cumbersome system and slow decisions?

The essential is to attain freedom of action, and this can be achieved in Europe or in Asia only by forming a close partnership between policy-making groups and the people, based on increasing public knowledge and understanding of international affairs. If this partnership can be achieved many conservative ways of conducting foreign policy can be dispensed with. For one thing, governments can trust their peoples to know the score in emergencies even if they are called on to participate in events in distant places and even if there are no written treaty ties or firm commitments. There also will be an end to the embarrassing efforts to preserve alliance systems from withering away by extending them into political, economic and cultural realms. Of course pacts are useful in their limited field. But the task of policy in a divided world is not just to preserve the status quo; it is to shape the destiny of communities. A policy which does not have the strength to effect changes remains mere declamation. Measured by this yardstick, the policy of the Western Powers has substance only within their own sphere of influence.

In connection with the question whether the accepted policy is capable of doing more than maintain the status quo we reach the reasons for some of the latent diversities of interest between Germany and her partners in the Western Alliance. The division in the world, including the division in Europe, is unpleasant to almost all those partners, besides imposing a moral burden on them. But they can endure it. The Germans cannot endure it. Any symptoms that might indicate the contrary are misleading

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—at least in the long run. True, a few Germans find themselves so comfortably off in the Federal Republic that they can ignore the fact that their country is divided. After all, many Germans after 1933 closed their eyes to the existence of concentration camps. But it would be a bad service to the Germans today to encourage them to forget the 20,000,000 compatriots under Communist rule and settle down apart from them as comfortably as possible. That would be to shrug off the responsibility of citizenship without which no stable German democracy can exist.

The overwhelming majority of the German people are fully dedicated to the fact that their divided country has a common fate. The real trouble is that they are in the difficult and uncomfortable position of not knowing any means by which unification could be brought about. In these circumstances some may eventually lose heart, thus leaving the field to some future form of radicalism, left or right. But this can happen only if the civic responsibility of the moderate forces which today dominate the country should falter.

For years our policy was based on the assumption that the Western world's power and weight could be decisively increased, partly through a six-nation merger in Europe, partly through the Atlantic Pact. In other words, the West would become so strong and cohesive that a Russian retreat would be inevitable. For a time this way of thinking was understandable; today it is anachronistic.

The discovery that it no longer was feasible to achieve a sufficient technological and military superiority to alter the balance of power between East and West decisively was bound to be shocking. For the Western world the shock has been wholesome. Will the Soviet Union now talk itself into the same sort of wishful thinking that the West is just beginning to abandon? That is a serious question, but for the moment it affects our policy toward the Soviet world only indirectly. At the NATO conference in December at least preliminary steps were taken toward a way of thinking based on the reality of the present nuclear and global balance. Though only a beginning it is encouraging; for what has been so depressing in recent years has been the shocking discrepancy between the free world's gigantic expectations that the situation would change substantially in its favor and the highly limited possibilities that anything of the sort would occur.

Under the sobering influence of this interim period we face the

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question how to achieve solutions of a limited nature in the overall conflict not on the basis of changing the East-West balance but on the chance of preserving it. Here, of course, the German question is a vital factor. When most of the solutions officially put forward are examined seriously they are seen to be based on the hypothesis that one side would allow itself to be forced into accepting a substantial reduction in power by consenting to the substantial strengthening of the power of its opponent. Now, for the first time in a long while, there is at least discussion about the possibility of a compromise. At least some thought seems to be given to the possibility that all the great Powers should withdraw from Central Europe. This, of course, would make sense and increase international stability only if at the same time the Germans were given the right of self-determination.

As far as can be gathered from Khrushchev's hints and the proposals made by Polish Foreign Minister Rapacki, the present Soviet plan is to demilitarize Central Europe—an "atom-free" zone—and thus ease tensions locally. Simultaneously the two German semi-states would become international treaty partners, trustees, one might say, of this zone. The effect obviously would be to harden the division of Germany instead of ameliorating it. It can be argued that, despite the serious disadvantages involved, the ensuing military relaxation of tension might lead to a political relaxation. On the other hand, the Communist régime in East Berlin would acquire the guaranty of the Western Powers—even of West Germany.

Obviously a guaranty of the Communist régime against the will of the German people is not feasible. The idea of a military withdrawal from Central Europe therefore hinges on a political agreement about the German question. Unless the people of the free part of Germany are to be forced to accept the humiliation and self-stultification involved in collaborating to perpetuate the enslavement of their East German compatriots, the great Powers will have to reach an agreement both about a military withdrawal from the Elbe and about the status of the German territory after the withdrawal.

Recent history provides examples of how a withdrawal might be carried out. The procedure would seem less dramatic, more matter-of-fact, if the land troops of the Powers concerned were to leave gradually over a period of several years and not all at one time. This would also provide an opportunity for the United

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States and Great Britain to establish suitable bases for their remaining special units west of the Rhine and south of the Alps. Furthermore, as when the Allies withdrew from the Rhine after World War I, the evacuation might be by stages and not all at once. In any case, it can be expected that by the end of the period of withdrawal long-range missiles will have become of such decisive importance to both sides that advance positions in Germany will have lost much of their military value.[1]

There is always the possibility, of course, that a disengagement of forces in Central Europe would in effect create a screen behind which small "proxy" aggressions might occur. The German Federal Army might not like to have to face these alone. Although attacks of this nature upon a newly-formed European political and security system may seem unlikely, apprehensions on this score are bound to exist for a time. There are three possible ways of dealing with them. One is for the Federal Army to be strong enough to deal promptly with a "burglary" or to put out a "fire." The second possibility is to ask the United Nations for an international force, composed if possible of units from several small—possibly neutral—states, to watch over the present demarcation line on the Elbe as well as to safeguard reunited Berlin during the interim period and up to the conclusion of a final peace treaty with a reunited Germany. The third possibility is that in the course of future talks and negotiations about disarmament the Powers will agree on some kind of limitation both in the strength and composition of forces in the area concerned. Clearly, nuclear disarmament in a vital area like Europe would be inadequate if it were not matched by an agreed and internationally controlled limitation of conventional forces as well.

Admittedly the proposed course leaves aside the question of the German-Polish border and many further problems. But no practicable policy can solve all questions at once. Some must be postponed.

From the free world standpoint the procedure undoubtedly presents a number of disadvantages. The United States and Great Britain would have to evacuate extensive bases between the Elbe and the Rhine and content themselves primarily with air fields and missile ramps further west. It would be difficult for them to retain strong land forces on the Continent. The Federal

[1] The foregoing does no more than indicate the direction in which a solution is to be sought. It is not a "plan" to take the place of an active foreign policy.

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German Army, limited in size and equipment, would be left to patrol the territory between the Baltic and the Alps. It cannot be denied that this situation would have certain disadvantages. But if the withdrawal of Soviet land forces could be gained, then the road to freedom would eventually be opened to Central and Southeastern Europe. Probably such a development would have to be linked with firm military arrangements about the limitation and control of armaments in Central Europe. It is at least worth thinking of extending this area both to Scandinavia, where Denmark and Norway have unilaterally renounced their claim to nuclear arms, and also to the Southeast, where at least Hungary and possibly Rumania would have to be included, provided Bavaria, and with it the Alps, were to come into the scheme on the Western side.

Germany as a leading technical nation would be able to make a substantial contribution to the stability of Europe and to international security if, as a free and united country, she were prepared to accept limitations of her defense as far as this could be done without infringing on her own security and on that of her neighbors.

Furthermore, the achievement of both a political evolution and a military *détente* in Europe would considerably improve the chance of preventing a nuclear armaments race from spreading across the world. We see indications that additional nations have ambitions to achieve "nuclear sovereignty." As matters stand today, the "fourth power problem" does not simply threaten to disrupt any security system that might eventually be achieved; it also threatens the position of the major Powers.

The Russians might consider it in their interest to accept a "package" agreement about political and strategic questions in Europe which would include a provision prohibiting nuclear weapons from being distributed to non-nuclear states. It would relieve them of the embarrassing prospect of having to hand over such weapons sooner or later to nations in the Soviet orbit—for example, to Hungary and Poland as well as to China—a development which would almost certainly end by disrupting the entire Soviet system of power. For these reasons it can be taken as probable that the Soviets are even more interested in reaching an international atomic agreement than is the West, strong as is the pressure of Western public opinion.

Thus statesmanship has ample opportunity for action provided

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it possesses the requisite imagination and courage. Very little can be achieved, however, if the Western Powers lack confidence in each other and if they stick rigidly to the idea that negotiations not only are morally suspect but are doomed from the beginning to be fruitless. Those who refuse to negotiate are left with only the choice between open force—which the nuclear situation rules out—and tacit acceptance of the status quo. Of all immoral acts in the face of Communist dictatorship such an acceptance would be the most immoral. As far as Germany is concerned, it is rejected as unrealistic and intolerable.

Hence, negotiations. But who will negotiate and how will the negotiations be conducted? In the framework of a policy which had ceased being conservative and had become active, the question of who will negotiate depends largely upon what will be negotiated. If the subject is mainly atomic, everything will depend upon an agreement between Washington and Moscow. And a failure there would render a whole series of other negotiations impossible. If that agreement is reached, no third or fourth nation can seriously contest it. This is why there is a tendency at present, particularly in Germany, to believe that the Western world should give the United States the necessary power-of-attorney to make an effort with the Soviet Union to stop nuclear competition. It is true that bilateral talks can always have unfortunate implications for third parties. But compared to the horrors toward which mankind is drifting so long as the race in nuclear weapons continues unchecked such risks are minor and must be taken.

From the European point of view in general, and from that of Germany in particular, it is necessary that diplomatic and not merely propagandistic talks begin between East and West. This would offer an occasion for the Germans to renounce atomic armament. It would allow the German problem to be limited to the narrow area of Central Europe without obscuring its connection with the question of disarmament. It would permit military and political changes in Central Europe without upsetting the balance between East and West.

Even if by extraordinary efforts German reunification could be brought about, this would by no means imply immediate European reunification. On the other hand, European reunification is unthinkable without German reunification. There has to be a beginning at some point, and there is an advantage in starting with

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limited problems instead of global ones. Some believe that the German question can be solved only in the context of larger issues. Others hold that the pervading malaise can be cured only if man himself changes his nature. Both views are based on moral more than political ideas. Should a chance of solving the East-West conflict appear suddenly tomorrow—so much the better. But if our destiny does not include such a miraculous event we shall have to make a start along a more modest course. This leads by way of negotiations with a limited goal through successive phases of diplomatic preparation and political exchanges to a gradual understanding of each other's point of view; and only at the end, if all is well prepared, can there be conferences as the last stage on a long road.

The basic requirement is for a common program of the Western world which will aim at a new power system without upsetting the balance in Europe. The United States as a non-European Power will have to participate. For it to withdraw from Europe entirely in the near future would be a catastrophe. Yet traditional weapons have already diminished so much in importance that some rearrangement obviously becomes feasible. If the Soviet Union shows an interest a hopeful star will rise. If it refuses, the free world will nonetheless have gained the kind of initiative and effectiveness which it cannot any longer hope to achieve by simply sticking to traditional methods.

War, said both the President of the German Federal Republic and the President of the Bundestag at the beginning of the year, has lost its function as the continuation of policy by other means. This is true. Therefore our policy must at last disengage its concept and actions from the handicap of predominantly military thinking. At no point along the line between the free world and the Communist world can a far-reaching and acceptable policy be shaped so well as on the soil of Germany. It would indeed be an historic act of reconciliation if following such unspeakable sufferings and in the face of such infinite dangers the nucleus of a new political order were formed at the very spot where chaos had originated.

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THE EUROPEAN IDEA

By Peter Thorneycroft

THE idea of a United Europe is not new. It has exercised the minds of the soldiers and sometimes of the statesmen of Europe for many centuries. That area of the world which is bounded roughly by the Atlantic Ocean, the Mediterranean, the North Sea and the Russians is not large in relation to the rest of the earth's surface; yet within it has originated much that has shaped the destiny of mankind. The culture of Athens and of Rome; the origins of democratic government; the systems of law which today permeate the greater part of the Western world—all spring in the main from this turbulent section of the world. Torn by war and conquest, weakened by internecine strife, Europeans have yet found the time and the capacity to leave an incomparable legacy of music, of painting, of prose, of poetry and of practical achievement. The surprising thing is not, perhaps, that they now seek some closer unity, but that the pressure for it has not been felt even more keenly hitherto.

Yet men do not live easily within the same institutional arrangements. National patriotisms are strong; to be a Frenchman or a German has meant, at least until very recent times, much more than to be a European. What, then, has brought about the impetus for closer unity that we now see upon the Continent of Europe? The reasons—and it is important to understand this—are not commercial or economic in their origin. Commerce and economics have, as I shall show later, their part to play, but in this instance it is subsidiary to the main theme.

Two successive generations of Europeans have seen the devastation of war. Only those who have either suffered the degradation of an imposed and foreign occupation or, on the other hand, witnessed the moral collapse which can follow a transitory military victory with its resultant growth of temporal power can perhaps understand to the full the demand for change in Europe. Those who have seen these things seek not unnaturally for a degree of unity which would, so far as human ingenuity can contrive, prevent their repetition in the future. Such men, though no less patriotic than their forebears, have seen that national frontiers and national rivalries can sometimes be maintained only at a brutal and increasing cost of human sacrifice.

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It is noteworthy that three of the men who have played a large part in the European movement—Dr. Adenauer, M. Schuman and M. Spaak—though citizens of different countries and subject to different allegiances, were yet born within some 125 miles of one another. If recent experience has been an important factor in their minds, the existing situation must have urged them along the same road. This area is, after all, upon the frontiers of the free world. Beyond is Communism, operating powerfully, swiftly, centrally and upon interior lines. Small wonder that this part of the West at least should seek means of achieving a more common policy and greater facilities for common action.

Finally, and quite simply, the size of many of the national territories is too small to give full scope to the energies and abilities of their people. At a time when men's minds are stretching out to new frontiers in space, it would be remarkable if they were content to seek to settle alone and in isolation the domestic problems of what at least to American eyes would appear to be very small areas indeed.

Where do the British Isles come into this picture? First, it must be stated and understood that the English are Europeans. Sir Winston Churchill in the first volume of his brilliant history of the English-speaking peoples recounts our origins. The march of the Roman Legions up to Hadrian's Wall; the long years of the Roman Peace ("In Roman Britain men thought for many generations that they had answered the riddle of the Sphinx. They misconceived the meaning of her smile.");[1] the swift, searching raids of the Norsemen; the Norman Conquest. There is no race stemming from the main Continent of Europe that is not represented in these islands where they fought, conquered, settled, loved and died.

Separated, though less certainly than in years past, by 20 miles of sea, we remain inextricably related by ties of blood, culture and commerce with our friends upon the mainland. We have throughout our history taken part in their wars and shared in both their triumphs and disasters. At all times, and this is relevant today, we have watched to see that they should not unite for a purpose inimical to our interests. We are too closely part and parcel of the Continent of Europe to accept separation from it without strains being imposed over very wide fields of policy.

This, then, is the political background to the European scene.

[1] "The Birth of Britain." New York: Dodd, Mead, 1956, p. 46.

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It was against this background that the so-called six "Messina Powers"—France, Germany, Italy, Belgium, Holland and Luxembourg—instituted arrangements culminating in the Treaty of Rome. The Treaty of Rome is set in an economic context. It is designed to establish among the six a European Economic Community. The objective of the Community is to promote economic development by the establishment of a Common Market and by the progressive coördination of the economic policies of the members. Customs duties are to be eliminated in three main stages over a period of from 12 to 15 years. A common external tariff is to be established. Quantitative restrictions are to be progressively eliminated. The Treaty of Rome is not a detailed policy so much as the establishment of principles and institutions within which common policy can be worked out and applied. These institutions consist of an Assembly composed of parliamentarians which will meet annually; a Council of Ministers which will seek to coördinate the economic policies of the member countries; and a Commission consisting of nine independent "experts" from member countries whose task will be to superintend the working and application of the Treaty. In addition, provision is made for a Court of Justice to which all members can bring grievances, and an Economic and Social Committee to advise and assist the Council and Commission.

It is relatively easy to criticize in detail these various arrangements. The men who devised them would be the last to claim perfection for them. They were the best that could be agreed upon among these six nations after long periods of anxious and difficult negotiations. They leave inevitably many questions unanswered. Suffice it here to pose the main questions which many inside the organization, and more outside it, are asking.

Assume that you do establish such an economic community; assume that you resolve the various internal difficulties of such an association; what kind of an economic policy will you pursue? Would such a community be narrowly self-centered, inward-looking and highly protectionist, or would it look outward to the larger world beyond, and seek to expand the flow of trade both ways between itself and others?

The answer to these questions is, of course, crucial to the attitude which the outer world may eventually adopt towards the Treaty of Rome or, for that matter, towards any larger Free Trade Area. Opinions differ sharply inside Europe on the proper

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answer. Some in Germany are powerful advocates of the outward-looking policy. This view is on the whole shared by Belgium, the Netherlands and Luxembourg with their traditional low-tariff policies. Some in France on the other hand, and not in France alone, see in the development of such an economic community an opportunity to pursue highly protectionist policies and to shelter themselves from competition from the outer world. Let it be clearly understood that the answer to this question is not yet determined.

It is at this point that an important and controversial aspect of the Treaty of Rome must be referred to—namely, the position of agriculture. Not surprisingly to those who have studied agricultural policy on either side of the Atlantic, the Treaty of Rome adopts a different proposal for agriculture from that put forward in the case of manufactured goods. Free trade is rejected and instead a common agricultural policy is to be worked out. Special methods, it is said, will have to be applied. These methods may include anything needed to implement the common policy, including—though not limited to—import and export controls, subsidies and minimum price agreements. The long-term objective of removing tariffs inside the area is kept, but a tariff is an insignificant barrier compared with what can be achieved by these other and more powerful instruments. Here again the main question—what kind of an agricultural policy will you pursue—remains unanswered, and it is not Europeans alone who are anxious as to what the eventual answer will turn out to be.

This brings us to the rest of Western Europe. As the situation stands today, Western Europe is divided into three. First, the six countries of the Common Market with their plans for free trade in manufactured goods and an organized market for their agriculture. Second, such other countries of Western Europe as could without grave risk to their economic stability move within a period of not more than 12 or 15 years to a system of free trade among themselves and including the Six. Thirdly, those other countries of Western Europe which for one reason or another will clearly not be in a position within such a period to accept free trade with its implication of increased competition on the home market. It is perhaps invidious to single out individual countries and place them in various categories, but Great Britain and the Scandinavian countries are examples of the second, and Greece—for reasons associated with her internal economy—can

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clearly claim to be within the third. All these countries are today members of the Organization for European Economic Coöperation. All of them would undoubtedly benefit from a united rather than a divided Europe. The problem which faces Europe today is how to reconcile the various positions. It is not a simple problem, yet much turns upon success in solving it.

Let us take, for example, Denmark. Her existence depends largely upon her agricultural exports and much of these are to the Six. Yet the Six plan an organized agricultural market among themselves. Should she seek to join this? Would it be the kind of market which, if she did join it, would serve her interests? Could she join the Six if the other partners in the Scandinavian Alliance remained out? What would happen to her agricultural trade with Britain, which is large, if she were associated with the Six and Britain were not? These are the kinds of questions which have been exercising the minds of Europeans. Great efforts are being made through the Organization for European Economic Coöperation; and for the past three months European Ministers have been wrestling with the problem under the able chairmanship of a British Minister, Mr. Reginald Maudling.

Let us then turn to examine the British approach to this matter. A solution to the relationship between Britain and the Six would not solve all the problems, but it could clearly be an essential factor in maintaining the larger aim of a united Europe. Failure to achieve it would, moreover, have repercussions outside the field of commerce or of economics.

Clearly in this matter Britain faces a dilemma: how to cooperate in a policy for free trade in Europe without damaging irretrievably the trading pattern in which so many countries are involved within the Commonwealth. It was for long thought that this dilemma was so difficult that no solution could be found. If Britain were to lower her tariffs against Europe, she would automatically remove the preferences she was extending to imports from Commonwealth countries. Over the years goods would be coming into Britain from Europe as well as from, say, Canada or Australia, free of all duty whatsoever. Let it be explained that the essential difficulty was not the refusal of the British to accept this measure of competition in their home market. Protectionist forces exist in Britain as elsewhere, but her industry is lively and aggressive, and her economic policy is based upon the plain fact that she must be competitive or she will count for nothing. It is

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one of the encouraging features of this phase of events that in answer to the question, "Will you over the years accept competition on equal terms with any Western European country?" the answer of British industry has not been negative. Indeed, many of our leading industrialists have been in the forefront in advocating the advantages to all of larger trading areas. If there be any Americans who criticize us for what may sometimes appear to be our old-fashioned approach to life or an unwillingness to adventure, they might perhaps ponder what answer American industry would give to such a free-trade challenge.

Our difficulty, then, is not a domestic one but is associated with our obligations to our partners in the Commonwealth. The solution which we have proposed turns upon two factors. First, the adoption of what is known as the free-trade-area approach, and secondly, the treatment of agriculture.

Essentially what we have said so far as manufactured goods are concerned is, "Yes, we will revise our tariffs against other countries in Europe at the same pace and in the same manner as they revise their tariffs against us." What we do require, however, is the privilege of keeping our freedom in respect to external tariffs which we impose today upon the world outside. The reason for this is simple and, indeed, laudable. We do not impose any tariff against most goods from the Commonwealth, and if we adopted the common external tariff of the Six, we should have to start by raising tariffs where no tariffs today exist.

The British position, of course, creates problems. It is necessary to ensure that we do not just import goods free of duty from the Commonwealth and then pass them on as our own to Europe. There is also the question of what advantage we may gain from importing raw materials free of duty (and therefore cheaper than the rest of Europe), and then selling finished products on the Continent. However, on this point many Europeans take the view that the sensible course would be for the Continental countries to lower their duties against raw materials rather than ask us to put ours up. Whatever the difficulties, however, we have lived with them enough to know that they are not insoluble.

The second factor is agriculture. The bulk of the imports from the Commonwealth is in the form of foodstuffs, and the suggestion that we were about to adopt free trade for agriculture would be as distressing to these Commonwealth exporters as it would be surprising for our own domestic producers. We share, there-

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fore, the view of the Six that free trade for agriculture is not a practical proposition.

What, then, of the organized agricultural market of the Six? Clearly one cannot be too dogmatic until one sees for what purpose it is established. If its purpose is to exclude, say, North American—or for that matter Australian—wheat for the benefit of European producers, this would clearly raise issues of a most difficult and controversial character. Nevertheless, it would be wrong to go to the other extreme and say that no room existed for coöperation on agricultural problems between Britain and the Continent of Europe. We are, after all, the main market for agricultural produce from the Continent and our tariff levels are more liberal than those of most other European countries. Other things being equal, therefore, I doubt that the agriculture problem of itself would constitute an insuperable obstacle to a common trading policy for Europe. The real question is: Do enough Europeans want it? In particular, do the French want it?

The French economic difficulties are well known. They stem from a variety of causes, including the Algerian War. They are regarded by France's European friends with sympathy and understanding, but they are real, pressing and today effectively inhibit her from any genuine form of free trade with the Six or with anybody else. It is for this reason that the Treaty of Rome includes fairly wide escape clauses for the French. Any free-trade-area system as described above would have to take account of these same difficulties. Assuming, however, that all her European partners use all their best endeavors to meet the special French problem, where do France's real interests lie?

M. Gaillard has never approached these matters from a narrow view. France's short-term difficulties in associating herself with the wider concept of a Free Trade Area covering the rest of Western Europe are not to be minimized. The long-term rewards are also great, and are not limited to economics alone. I believe that ways can be found to resolve such difficulties as still persist and to open the way for the wider vision of the new Europe which lies ahead. But it must include all Western Europe. Those few nations which are not yet able to adopt the full measure of free trade, even though introduced gradually, must find a seat at the council table. What is important is that their position should not weaken the resolve of others to reach the aims which they have set themselves.

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This, then, is the choice which now lies before Europe. Stripped of its inevitable complexities, it resolves itself into the alternative of one Western Europe or a divided Western Europe. If it is decided that Europe must be divided, it will certainly be divided in more ways than in trade alone. In an area whose trade is as closely interwoven as this, discrimination by one half against the other will surely lead to counter discrimination in one form or another. If, on the other hand, the decision is for unity, the prizes ahead are considerable. A trading area as rich as the United States and as large in population as the Soviet Union offers a new hope for the free world. Moreover, the rewards will not be purely economic. If men and ministers meet upon commercial and economic matters, they will of necessity meet on much else, too.

What should be the attitude of America to these adventures? So far it has been generous and understanding. I would suggest that it is a matter of first importance to the United States that Western Europe should be united and should be strong. Economic strength in this area provides both a bastion against the advance of alien theories and a growing and secure market for transatlantic trade.

At this moment the issue remains undecided. The coming year may well see it determined one way or the other. Great good or great evil could flow from the negotiations now being carried on. But of one thing there is no doubt. We are at a dramatic turning point in European history.

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INDONESIA BETWEEN THE POWER BLOCS

By Mohammad Hatta

INDONESIA, rich in natural resources and having 84,000,000 inhabitants, comes automatically as an important factor onto the chessboard of world politics. It is not surprising, then, that the Western press has been asking questions recently about the direction of Indonesian foreign policy. Will she turn her back on the West and move closer to the Communist countries whose center of attraction is Moscow? None of the politicians, diplomats, journalists or businessmen who have occasion to visit Indonesia can keep from speculating on this subject.

Anyone who remembers my article on Indonesian foreign policy in this review in April 1953 will not lightly jump to any such conclusion. Our policy is independent and active—independent because Indonesia does not wish to align herself with either of the opposition blocs, the Western bloc or the Communist bloc;[1] active because it actively carries out a peaceful policy as a loyal member of the United Nations. In view of her origins and her aims as a member of the United Nations, the Republic of Indonesia will rally to every effort within the framework of the United Nations to do away with the controversy between the two blocs, or at least to grind off its sharpness, and in this manner to help ward off large-scale conflicts that might set off a third world war. This policy of peace took shape in the well-known Resolution passed by the Asian-African Conference at Bandung in 1955.

The Republic of Indonesia has no desire to set up a third bloc in partnership with the states of Asia and Africa. She wishes to see a meeting from time to time among the Asian and African states, like that of 1955, as a "moral union" which can influence, in the interest of peace, those states which are banded into blocs.

By practising her independent and active policy Indonesia endeavors to seek friendship with all nations—whatever their ideology or form of government—upon a basis of mutual respect. She is prepared to accept technical, material and moral help from any country whatsoever, provided only that the donor govern-

[1] People in the West often term the Communist bloc the "Eastern bloc," a term which really is not apt because many Asian countries are accustomed to calling themselves Eastern nations.

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ment does not interfere in our domestic affairs or weaken or threaten our independence and sovereignty. Her policy will not easily undergo change because it stems from certain fundamental causes. Among these are certain natural factors, such as our country's geopolitical position, its national history, and the state ideology known as *panchasila:* Divine Omnipotence, humanism, nationalism, democracy and social justice.

During the freedom movement, Indonesian leaders asked the people to strive for the attainment of an independent, sovereign, united, just and prosperous nation. Since the struggle succeeded in the achievement of a free and sovereign Indonesia, the Government's primary task has been to make it united, just and prosperous. It will easily be understood that, in order to carry out this task, Indonesia needs peace and friendship with other nations. She is rich in natural resources, but she is still young as a nation and is handicapped in nearly everything; she must have material and intellectual help from the outside world. This is one more reason which makes it incumbent upon her to practise a policy of being a friend of all, an enemy of none. Her own ideology —the *panchasila,* which gradually assumed shape during the struggle for freedom—and the religious feeling which is present in nearly the whole population, prepare her to coöperate with the states of the West without being reluctant to be on terms of friendship with the Communist states. She well understands the policy of coexistence and non-interference. Thus, states with a different ideology from ours can readily exist peacefully side by side with us provided one absolute condition is met—abstinence of each from interference in the internal affairs of the other.

We realize that difficulties are involved in carrying out this proviso of non-interference. A democratic country has no possibility of interfering in the internal affairs of a Communist state, since everything there is under government supervision and no freedom of expression exists. Things are different in a democratic state. For example, even if Soviet Russia makes an agreement of coexistence and non-intervention and undertakes not to intervene in another country's internal affairs, the Communist Party there will nevertheless follow a policy in accordance with the directives emanating from Moscow. This is a risk which a democratic state which holds to the three freedoms of expression, movement and assembly must be prepared to accept. A democratic state should have sufficient confidence in the strength of

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its citizens' spirit of freedom and sense of responsibility. When a democratic state is able to provide a prosperous life for its citizens, the influence of Communism will not be great. Conditions and experience in the Western world prove this truth.

In his treatise on "Historical Materialism," Marx's collaborator Friedrich Engels propounded as the very kernel of his theory that "it is not the awareness of man which determines his condition but, on the contrary, it is his social condition which determines his awareness." This statement, previously chiefly used to analyze the attitude of capitalists and the church, now applies to labor itself. When the laboring classes lived in misery, their attitude was revolutionary, but when their social condition improved their revolutionary spirit evaporated and their outlook became evolutionary. For this reason Communist infiltration could be withstood and eliminated by a sound economic policy. Whenever a non-Communist government can provide increasing economic benefits for its people it will offset the demands put forward by Communism and progressively lessen its chances of expansion.

Generally speaking, the Indonesian people place their faith in religion, and religion is basically a dike against the spread of Communism. In spite of this, the bad economic situation in the country and its unrealized ideals open the door to the spread of Communism and have allowed it to make progress in two successive elections, one for parliament and the other for the regional councils. Communism has not spread in Indonesia because of the appeal of its ideology, but because it has promised the people prosperity. It has promised the allocation of land to the landless farming class. Moreover, the Communist Party of Indonesia has been in the vanguard of the struggle for the return of West Irian to the territory of the Republic of Indonesia. When a proper economic policy has begun to benefit visibly the daily livelihood of the people, and when West Irian is incorporated within the Indonesian Republic, the Indonesian Communist Party will lose its main weapons; and by that time the curbing effect of religion can have made its influence felt.

Even though an agreement regarding coexistence and nonintervention would have one result in a country which is Communist and totalitarian and another in a country which is democratic, it nevertheless can reduce tension in international politics in general. It could also be used to determine whether a Communist state would or would not live up to its obligations. As for

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the subversive activities which might be carried on by a Communist Party in the domestic affairs of any country, the government has means of checking them. It can protest to the Soviet Union, if it feels that it has a hand in those activities, or it can deal with them directly. When the Communists attempted a *coup d'état* in what has come to be known as the Madiun Incident of September 1948, the Indonesian Government showed the proper firmness and took the swift action which a democratic government should take. In a situation based on coexistence and non-intervention, Moscow loses the right to interfere with a democratic government's action against the Communist movement within its borders. Through the establishment of such a relationship, Indonesia hopes to be able to carry forward constructive activities for the development of its resources in peace.

I am fully aware that the independent and active foreign policy practised by the Indonesian Government, and its shift, in consequence, in the direction of coexistence and non-intervention, is not acceptable to the Government of the United States, which is able to see the world only in its division into two blocs which have no contact between them—namely, what is called the "free world" and the "totalitarian Communist world." But I think the American people, with their high democratic ideals, will agree with me that other peoples can hold different views and still be democratic. A democracy which is intolerant of other viewpoints is no longer democracy but strays into totalitarian ways of thinking.

I think that an atmosphere of peace might speedily be secured if the two greatest world states, the United States and Soviet Russia, would simply make an agreement not to be at war with each other for the next 25 years. Such an agreement would fall short of the ideal by not condemning war for all time, but it would be sufficient to lessen international tensions for the present. In a world filled with psychological enmities, it is difficult to realize hopes and desires which are too idealistic; but a purely realistic decision can produce a climate of peace which in the long run may make hopes and desires which seem too idealistic today become the realities of tomorrow.

The United States and Soviet Russia have demonstrated their skill and recorded their great progress in various fields of knowledge and technology; each in turn overtakes the other in presenting a new invention. It would be good if they would compete

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with each other, and each try to excel the other, in creating an atmosphere of peace in the world. Indonesia would be one of the beneficiaries.

Indonesia believes that peaceful coexistence among states with opposed ideologies will in time come to pass. Intense rivalries have in the past lost their asperity. Consider, for example, the terrific conflict between capitalism and socialism in the last century. Capitalism, guided by laissez faire and free competition, ruthlessly oppressed labor; it rejected out of hand labor's demand for social welfare. Labor, for its part, thought of class struggle without wanting conciliation. Gradually, the conflict has become less sharp; it is still there but is being carried on in a spirit of conciliation. A good many socialist ideals formerly unceremoniously rejected by capitalists are now defended by them in order to secure social peace in their enterprises. Article 55 of the Charter of the United Nations lays down the foundation for bringing into effect social justice—an ideal which has its roots in the socialistic movement of the nineteenth century. Democratic groupings and social philosophies which previously were at odds are drawing close to each other. The social democratic movement which originated in Europe as a destructive trend now reveals itself as a constructive force aiming to set up the welfare state.

Whereas in the nineteenth century the West was threatened by socialism, today what are termed the "underdeveloped" countries are exposed to the threat of Communist infiltration. Protected from attack from outside by her active and independent policy based on political coexistence and non-interference, Indonesia seeks to secure domestic stability and construction so that her people can be prosperous. To carry this into effect she needs foreign help, both material and intellectual. She is ready to accept the loan of overseas capital from whatever direction it may be offered, and she desires the assistance of technological and educational experts provided only that they come without any political or other strings. She hopes for a climate of international coöperation in which this aid will be possible.

In carrying her project out Indonesia faces numerous difficulties. One is that the policy outlined is not easily acceptable to the Western world which is tied to the concept of a world divided into blocs. Each act of the Republic of Indonesia which can be construed as turning a smiling face towards Soviet Russia and

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the People's Republic of China is considered wrong; Indonesia has entered the Communist trap, it is said, as though her leaders were not politically mature. And not infrequently the help given to Indonesia is measured by her attitude towards those Communist states. It has happened that orders for goods vital to the daily life of the Indonesian people have not been attended to for months. Perhaps Westerners consider this merely a businesslike attitude. But such an occurrence hurts the feelings of Indonesians, and is put down to pride. They feel that an effort is being made to make them realize that they cannot exist without foreign aid, especially from the Western world. They feel they are being asked to go down on their knees in order to obtain it. This feeling of being humiliated automatically makes the thin-skinned population react in a way which occasionally seems hostile.

It should not be forgotten that Indonesia is a young country, and that like other newly-emancipated nations she is sensitive and quick to take offense, especially in matters affecting her honor and the necessities for national existence. There is nothing which a nation feels to be so derogatory as to be told that its politics are dictated by other states, and this is all the more true in the case of the Indonesians since their freedom did not come as a gift made in the discretion of the colonial rulers but as the result of a great political struggle. Indonesia adheres to an independent policy in the sense that she is free from the influence of either the United States bloc or the Communist bloc, whether the influence be of capital or of ideology. She is anxious to be friends with all nations, whatever their ideology or system of government. She has her own objective and her own ideology, and she does not want to exchange them for those belonging to others.

These psychological factors should receive careful attention in Western capitalist states, especially the United States, because if they are disregarded the relations of these states with the so-called underdeveloped countries cannot improve and possibly will get worse. Because it is stiff and terribly businesslike, the policy of the United States, even if based on friendship, does not awaken a friendly response in the country which receives its help. When it wants to help some country, the United States puts forward too many of its own views and ideas and pays too little attention to the desires and ideals of the nation involved. Everything is measured by American axioms, the American view of

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life. Consequently the help given by the United States does not produce effective results. Care should be taken to see that American policy towards the newly-emergent states of Asia is not felt to be "dollar diplomacy."

It can be stated as a fact that Soviet Russia has a more dynamic policy and as a result is cleverer in captivating the hearts of the so-called underdeveloped countries. The Soviet political success in the Middle East, in comparison to the failure of Western policy, is due to the fact that the Russians understand better the feelings and national psychology of the Arabs and what they seek. By a policy of strength, by flaunting its wealth, the West will not succeed in getting nearer the minds of the people of the East. However great the material changes among the peoples and states of Asia may be, they make an evaluation in ethical terms, and in their eyes this takes precedence over the economic evaluation. Considerate treatment is more appreciated than a profitable business deal.

Despite what I have said, relations between Indonesia and the United States are fundamentally good and the Indonesian people value the American help which has been given them. The spontaneous reaction of Indonesian public opinion towards tactless or unfriendly treatment does not change the feeling of friendship which is the keynote of the relationship. Nevertheless, there is one vital matter which can obtrude upon those sentiments of friendship, namely the problem of West Irian. This is a national claim by the Republic of Indonesia which cannot be ignored.

The United States stand of neutrality in the feud between Indonesia and the Netherlands over West Irian does, in fact, give support to the Dutch. Because of it, and its adoption by various other states, Indonesia's suggestion in the General Assembly of the United Nations for the opening of discussions with the Netherlands regarding West Irian was never able to muster the necessary two-thirds vote and failed to pass. It has been rejected three times, with the result that relations between Indonesia and the Netherlands are extremely bad.

Indonesians cannot understand why the United States should assume such a halfhearted posture in this matter. The United States has been the moving force in setting up NATO and SEATO to halt the spread of Communist influence and power in Europe and in Asia. Yet to permit West Irian to continue indefinitely as a bone of contention between Indonesia and the Netherlands

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is to afford Communism an opportunity to spread in Indonesia. The claim to West Irian is a national claim backed by every Indonesian party without exception; but the most demanding voice, apart from that of President Soekarno himself, is that of the Communist Party of Indonesia. By putting itself in the vanguard of those demanding realization of this national ideal, and because it agitates about West Irian as a national claim—in line with President Soekarno's standpoint—and because it backs this up by good organizational work, the Communist Party of Indonesia is able to capture the imagination of an ever-growing section of the population.

The West Irian question thus represents a tragedy. The United States, the Netherlands and Australia, all equally afraid of the spread of Communism in Southeast Asia, are carrying out a policy which in fact strengthens Communism. For, so long as West Irian is in Dutch hands, that long will the Communist Party of Indonesia be able to carry on a violent agitation, using nationalism as an excuse, to oppose colonialism and thereby touch the soul of the newly-emancipated Indonesian people whose memories are still fresh with the struggle for freedom against colonialism. The anti-colonialist feeling is so deeply burnt into the hearts of the Indonesian people that it is incorporated in the Preamble to the Indonesian Constitution. The first sentence of the Preamble says that "freedom is the right of all peoples and therefore colonialism should be wiped out from the face of this earth because it is opposed to humanity and justice."

In Indonesian eyes continued Dutch occupation of West Irian is both a remnant of colonialism and an illegal seizure of a portion of Indonesian territory. According to the Linggadjati Agreement of 1947, the term Indonesia embraced the territory of the previous Netherlands East Indies in its entirety. Yet after putting their official signature to the Linggadjati Agreement, the Dutch worked to divorce West Irian from that territory. Doubtless a small section of the Dutch people want it as a reminder of old colonial glory. The 1949 Round Table Conference at The Hague reached no agreement on the question of West Irian. In order that it should not interfere with the transfer of sovereignty to Indonesia, the solution of the problem was, at the suggestion of the United Nations Commission for Indonesia, postponed for a period of a year; but negotiation during that year brought no solution. Meanwhile the Netherlands unilaterally incorporated

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West Irian within its territory through its constitution. This unilateral action of the Netherlands Government did not in any way affect Indonesia's claim based upon the Linggadjati Agreement. Due to the inability of the United Nations to provide machinery for a solution the West Irian dispute continues.

For the Netherlands this is a tragedy. Its continuing occupation of West Irian has involved it in an expenditure of something like 75 million florins a year. It also endangered the position of the Netherlands-Indonesian Union—now dissolved, its economic interest in Indonesia and certain advantageous economic relations with Indonesia. The excuse that the Netherlands has a newly-discovered moral obligation towards the people of the territory has no strong foundation. During the days of the Netherlands East Indies the population of West Irian remained exceedingly backward and even at the time of the Linggadjati Agreement no talk was heard about a "moral obligation" toward them.

For Australia, which supports the Dutch stand, the problem of West Irian is a tragedy also because its policy strengthens the very thing it so strongly opposes—Communism in Indonesia. The thesis that the Netherlands position in West Irian will be a shield for Australia against a Communist attack from the north cannot be proved by any valid argument. The experience of World War II points to the contrary. Actually, an Indonesia that was friendly to Australia would be a much more valuable protection. Although Indonesia is now a young and weak state, the potential energy awaiting development in her rich natural resources, coupled with her large population, will in time make her strong. A strong Indonesia practising an active and independent policy will not be attacked by any country seeking passage in the direction of Australia.

The fear that Indonesia, after obtaining West Irian, would claim East New Guinea is totally unfounded. The Indonesian people do not feel any links of a common lot or history with the people of that area; hence their national claim, historical and juridical in nature, does not extend that far. Apart from boosting Communism in Indonesia, Australia's policy with regard to West Irian can result in a slackening of the ties of friendship between the two countries. This is to be regretted because the Indonesians have a great appreciation of the moral support given them by the people of Australia in the struggle against Dutch colonialism.

One can understand the difficulties raised for the United States

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by the Indonesian-Netherlands dispute, for it is a friend of both countries. But its so-called neutral attitude creates a tragedy for the United States too. It wants to eradicate Communism, but its policy merely helps it spread. In addition it leaves Indonesia with a sense of grievance. Communist gains in Indonesia, besides alarming the people, have endangered national unity by sharpening conflicts among different sections of the population. Of course West Irian is not the only cause for these Communist gains; other reasons are the low standard of living in Java and the lack of sufficient land to divide up among the landless farm laborers. Only in the outer islands where the population is scanty is there land to be had for the asking. But this can be put to use only in connection with transmigration on a big scale and this involves expenses which the state cannot afford. Thus the question has not only social but financial aspects. Meanwhile the all-pervasive influence of the West Irian question upon sentiment and politics has no little effect in retarding reconstruction. Anyone who wants to say that this is a tragedy for Indonesia is free to do so. Indeed, till the question of West Irian is settled Indonesian politics will be more irrational than rational.

The above description portrays clearly that the problem of colonialism casts its shadow upon the friendly relations between the Western world and the Asian-African nations in general and Indonesia in particular. This does not mean that Indonesia will turn her back on the West. Her intellectual and cultural relations with the Western world are too many and too deeply rooted in history for that. But because Indonesia is fed up with the policies of the West she will develop relations with the other nations of the East and will culturally enrich herself. Her active and independent foreign policy, based upon the fundamental necessities of existence, forbid her from drawing close to one bloc at the expense of the other. While safeguarding this basis of friendship with all nations, the nature of her relationship in practice will be determined in each case by what is at that time the reigning national interest.

Looked at from afar, Indonesia today seems to be in chaos and confusion. Many of the outer regions appear to be in turbulence and opposed to the Central Government. The foreign press represents this as a revolt of the regions. But alongside this turbulence consultations are going on between the Central Government and regional civil and military authorities on ways to overcome

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the national difficulties. It is hard for outsiders to understand what is happening. However paradoxical it may sound, none of the dissidents intend to bring about fissuring and separatism. They aim to strengthen the unity of the people based upon the proclamation of independence of August 17, 1945, and to ensure a strong government blessed with authority and supreme over all the regions. Further, all the incidents and turbulence which have occurred in Indonesia, beginning with President Soekarno's breathing life into his National Council and continuing with the military's seizure of authority from civil hands in the outer regions, are a reaction and protest against a wrong turning taken by Indonesian democracy in the direction of party oligarchy, anarchy and corruption. Formally and juridically all these steps are wrong, even though they are meant to speed up reconstruction and to revitalize democracy which, as the Indonesian people understand it, is not political only but also economic and social.

The conflicts in Indonesia are frightful to behold, but if they are carefully examined they are not on the level of the civil war which the United States experienced after freeing itself from British control. If Indonesia can get over this temporary confusion she will carry ahead speedily her constructive work and obtain more time in which to strengthen her bonds of friendship with all nations, those of the Western world not excepted.

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MEXICO FORGES AHEAD

By Antonio Carrillo Flores

MEXICO is one of the few constitutional democracies with a rapidly expanding economy. In addition to the inevitable effects of rapid development on the life and habits of the Mexican people, it has resulted in a demand for ever new goals to be achieved. "Let's share alike in growth" has replaced the simple "Let's grow" as the call to work and to think. Thus, Mexico finds that, in order to achieve economic well-being with freedom and social justice, she still has much to learn, and a far greater incentive to learn it now.

Not long ago, this vast Mexican territory was considered to have little economic value or political importance. Many thought it merely a picturesque land which might as well be left to the sleepy villagers who had shown how easy it is to live and be happy on a nicely balanced diet of corn and beans. We know better now. Mexico has ceased to be merely the scene of an ancient civilization and has become one of the fastest growing economies in the world. The reason is clear. Mexicans have learned to work hard and not to depend on the tales of our past riches nor on the illusion of prosperity to be derived from other countries.

How did this revolution come about? The economic development of Mexico has its roots in the political Revolution of 1910, the first of similar twentieth-century movements in many parts of the world. Our present Constitution was drafted in 1917, although unrest continued until 1925. This profound social, political and economic movement produced the agrarian reform, which is one of the pillars of Mexico's agricultural and industrial development. The agrarian reform broke up the feudal structure of land-holding and agricultural production, changed attitudes towards work, and altered patterns of consumption and investment which were not in keeping with a progressive economy. The pre-Revolutionary pattern of self-contained, isolated units and absentee holdings provided little place for productive investment for increasing output on a commercial scale. The extreme poverty of the majority of the people and neglect of their needs contributed neither to human dignity nor to economic progress.

When the land was redistributed, modernization of the tech-

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niques of production became an immediate social and political objective. This involved large-scale irrigation, education, introduction of improved farming methods and use of agricultural machinery. These required large initial capital outlays and a system of production credits to the farmers.

Public works in irrigation began in 1926 and a number of institutions required by a growing economy were established immediately after the armed phase of the Revolution; the central bank, for example, was established in 1925. But not until the 1930s did agrarian reform take place on an extensive basis. In that decade the network of official credit institutions was formed (including the agricultural banks and Nacional Financiera, our development corporation). Road construction was intensified, public education spread and labor laws were enacted.

Parcelling of the large estates brought about increased productivity in agriculture, but it ultimately released additional manpower, swelling the reserves of under-employed, many of whom migrated to the cities. Furthermore, the particular vulnerability of the country's export position reflected extreme imbalance in production, and the overwhelming poverty bore proof of low productivity. These factors pointed to the need for industrialization as a means to increase production and real income for a population which grows 3 percent annually.

The fundamental aim of industrialization in Mexico is to achieve maximum utilization of all our human and natural resources. On these terms, the conflict between agricultural and industrial development has been resolved in practice on the basis of complementary and simultaneous (if not always orderly) development of both sectors, as well as tertiary activities. Nor have we neglected mining and other primary activities.

Agricultural progress has been necessary to provide food and textiles for our fast-growing population, to provide raw materials essential for industry and for export, so that we may acquire foreign exchange with which to import capital goods. Agricultural progress in turn has resulted in the establishment of new industries supplying the goods required to increase farm productivity. Improved agricultural production has also been necessary to raise the incomes of the rural population, still the most important segment numerically, thereby creating an expanding market for the new industries. At the same time, industrialization has been relieving the population pressure in rural areas by pro-

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viding employment opportunities in the cities. Thus, growth in the two sectors has been complementary.

Agricultural progress has also meant producing in greater proportion for the market and the progressive reduction of the nonmonetary subsistence sector (an important force for overcoming the cultural isolation of much of the people). Industrialization in turn has required an improved transportation network and a host of financial and distributive services. Thus, Mexico's economic development has been characterized by vigorous expansion of tertiary activities. Foreign trade and other international transactions have both contributed to, and in turn have been stimulated by, the rise in real income.

II

The year 1939 is usually thought of as the starting point of real industrial development in Mexico; the date is convenient because adequate statistical data has been available only since then. That year also marked the beginning of the Second World War, which was to have a favorable impact on the country's economic growth. By 1939, the groundwork for industrialization had been laid by the agrarian reform and the other institutional changes derived from the Revolution. A strong measure of internal political stability had been achieved and the agricultural and other public investments were beginning to yield fruit. The rapid industrial growth that followed spearheaded an almost unparalleled annual rise in real national output, averaging 7 percent a year.

In this brief span of less than 20 years, the annual volume of agricultural production has grown more than two and one half times as a result of the expansion in the area under cultivation, shifts to more productive crops and increased yields. Cultivated land has increased by one-third, to 50 million acres; and half of the nearly 8,000,000 acres which are now irrigated represents new land brought into cultivation. Large and small-scale irrigation, along with better seeds, fertilizers, pest control and use of agricultural machinery, have produced a revolution in the structure of our agricultural output as the counterpart of institutional agrarian reform.

Forty percent of our agricultural production at present consists of raw materials for industry. Cotton is now our number one crop in value (as well as our leading export), having overtaken the crop which for centuries formed the basis of our economy—

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corn. Cotton production has increased more than six times since 1939, reaching a peak of 2.2 million bales in 1955. We are now the world's second largest exporter of the fiber.

Mexico's second-ranking export product is coffee; output has expanded from 55,000 metric tons in 1939 to 93,000 in 1955, making us the third largest coffee producer in Latin America. The sugar cane harvest has tripled in the same period, reaching 14 million tons. New areas in the Northwest and the expanding cultivation in the tropical Southeast are producing cash fruit and vegetable crops. At the same time, Mexico's food staples have continued to grow. The corn crop is half again as large as output in 1939, wheat production has tripled to 1.2 million tons last year; rice has more than doubled in volume to 225,000 tons; and 470,000 tons of beans were harvested in 1956. The livestock industry has not progressed as satisfactorily, but output rose 13 percent last year, with poultry, egg and milk production making the best gains.

Agricultural progress has permitted reduction of food purchases from abroad at the same time that national consumption has risen. Our rapidly growing population still consumes over three times as much corn as wheat, but per capita consumption of the latter has been rising much faster since 1939, a clear indication of changes in eating habits that accompany improvements in living standards.

Not only is Mexico approaching self-sufficiency in the production of basic foods, but diversification and increased volume have converted our fields into important producers of foreign exchange. Agriculture supplied more than half the value of our merchandise exports last year. Progressive farming also generates demand for producers' goods and Mexico is a good dollar market for imports of agricultural machinery, trucks, breeding-stock and seeds, insecticides and fertilizers. This type of import contributes directly to increasing farm productivity, unlike the heavy imports of food which used to be necessary.

Industrial growth since 1939 has been particularly vigorous. The annual volume of manufactures has grown three and one half times, along with a tripling of electric energy generated and of petroleum and petroleum products.

The nationalized petroleum industry has steadily increased exploration and drilling, refining, pipeline distribution and proven reserves. Crude production has jumped from 43,300,000 barrels in 1939 to 94,100,000 last year, and the refining capacity of PEMEX

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is 250,000 barrels a day. Petroleum supplies 85 percent of the energy consumed in the country and most of Mexico's output is used nationally. Natural gas production averages 342 million cubic feet daily with capacity at 950 million daily.

The progress of PEMEX has made a major contribution to Mexico's economic development. As a public enterprise, the petroleum industry has made possible significant external economies for all types of industry through the provision of low-cost fuel, in much the same way as public works in irrigation and road building have been essential for new private investment and economic development. Internal and external market prospects have never been more favorable. PEMEX enjoys a considerable volume of medium-term credit from private banks and suppliers in the United States and Europe, but its chief problem, like that of other progressive industries in Mexico, is still the shortage of long-term capital needed to finance productive investment.

The sector of the economy experiencing the slowest growth since 1939 is mining, but important tax exemptions have recently been provided to encourage exploitation of lower grade minerals and investment in metal-producing plants. The exploitation of new minerals, such as sulphur and titanium, has also given the industry a lift. The increases in output attained in the last two years have brought annual mining output somewhat above the volume produced in 1939.

The most striking evidence of Mexico's economic development is provided by the progress in manufacturing. Before the Second World War, Mexican manufacturing was confined largely to textiles and food processing. Our present plants turn out an increasing proportion of producer goods, in addition to a wide variety of consumer goods, ranging from instant coffee and plastic gadgets to electric blenders and refrigerators. During the period 1950–56 manufacturing rose 62 percent in volume. Production of machinery grew by 121 percent, chemicals by 110 percent, cement and glass production doubled, iron and steel expanded by 92 percent and transport equipment by 78 percent.

The field of transportation has been particularly favored by public investment. At the end of the Revolution there were few highways and the antiquated railways constituted the principal means of passenger and cargo transport. Intensified road construction since the thirties has developed to the extent that the highways now carry more than half the volume of transport.

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Much has been done also to rehabilitate the railroads. Since 1939, almost half of all public investment has been in the field of transportation, including sea- and airports. Foreign long-term credits, from the Export-Import Bank, International Bank for Reconstruction and Development, and private U. S. banks and suppliers have made a significant contribution to the financing of highways and railroads. The national highway system has grown from 5,660 miles in 1939 to 21,130 miles today; and the number of motor vehicles registered in the country has expanded even faster, from 139,000 to 622,000. The country has 14,500 miles of railroads and 39 public airports.

It is not surprising that the rapid development of market agriculture and industry and the shrinkage of the non-monetary sector of the economy should have been accompanied by even greater expansion of trade and service industries, including an increasingly diversified financial system. Combined assets of Mexico's credit and insurance institutions at the end of last year amounted to 37 percent of monetary national income, compared to 25 percent in 1939. An important expansion took place last year in the operation of the private Mexico City Stock Exchange, housed in its fully-equipped new quarters, and during recent months three new investment companies were formed.

III

One of the most satisfactory aspects of Mexico's economic development has been the unusual degree of balance it has achieved. We have put our faith both in industrialization and in working effectively to increase agricultural production. Nevertheless, in a country that for centuries has been rooted to the soil, industry has surged ahead of agriculture in value of output. Industrial activities (manufacturing, mining, construction, petroleum and electricity) together contribute 29 percent of net domestic product, whereas agriculture, together with stock-raising, forestry and fishing, represents 24 percent. Trade accounts for 23 percent and other services for another 24 percent. It is also important that farmers and workers have increased their shares of the benefits of an expanding economy. In 1952, wages, salaries and supplementary payments to workers accounted for 22 percent of the net domestic product, and this figure rose to 32 percent in 1956. Earnings of farmers have increased from 15 percent of national income in 1952 to 18 percent in 1955.

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Foreign trade and investment have traditionally been important elements in the Mexican economy. The rapid growth of recent years has increased both the absolute and relative importance of external transactions, yet there is a fundamental difference in their impact on the economy. Before the Revolution, foreign investment was the principal source of capital, but it encouraged production primarily for export and touched only isolated sectors of the economy. As a result of the Mexican Revolution and changes in the structure of world trade and investment since the First World War, foreign capital has come to play a supplementary rather than a primary rôle in the Mexican economy. Private capital formation within the country and the increased availability of public loan capital have provided the opportunity for more comprehensive economic development.

Nacional Financiera, the official industrial bank and development corporation, has provided vigorous financial support to private and mixed enterprises in basic industrial fields, such as iron and steel, petroleum, fertilizers and chemicals, whose importance for development and for strengthening internal demand may not be matched initially by their financial attractiveness to private investors. Financial support from Financiera takes a variety of forms. New enterprises promoted by it typically combine public and private participation in their capital stock, not infrequently including foreign capital. But Financiera does not usually exercise direct operating control, even when it has a majority interest. Successful enterprises initially supported by Financiera are later able to satisfy their financial needs through private banks and capital markets.

Nacional Financiera also operates as an investment company through the issuance of its participation certificates, and supports the development of the security markets, thus contributing to the formation of the savings and investment habits of the community, upon which the sound financing of economic development must rest.

The bulk of national investment, however, is carried out by the private sector, as the result of the favorable conditions created by the Government. In addition to benefiting from investments in basic economic development and from government financial support, private investment in Mexico enjoys many fiscal incentives. To begin with, taxes are low; Federal taxes still represent only 8.5 percent of gross national product, one of the

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smallest tax coefficients in the world. Important tax exemptions, or reductions, for periods of five to ten years, are granted under the law for promoting "new or necessary industries," in operation since 1939, as well as under the recently adopted law for promoting mining. Import tariffs provide protection to new industries, and duties are extremely low on entry of capital goods. Furthermore, the business income tax favors the reinvestment of profits and contains liberal depreciation, depletion and capital gains provisions. As a result, private investment has been growing faster than public, and now accounts for almost 70 percent of gross fixed investment. During the last two years private initiative accounted for almost all of the total increase in our capital formation.

Similarly, industrialization is correcting the former imbalance in production by developing manufactures for the home market. Our broader based economy and diversification of exports have reduced our vulnerability to external changes in demand at the same time that international transactions have increased in importance.

In the slow-moving pre-Revolutionary economy, exports served primarily to service foreign investments and to provide imports of consumer goods which did little to increase the real income of the overwhelmingly rural population. Today, however, exports finance those imports of capital goods required to increase investment, employment, productivity and real per capita income. For example, machinery and vehicles, together with tools, parts and construction materials, make up 45 percent of imports, in comparison with 24 percent in 1939. Other producer goods account for an additional 35 percent.

Mexico's international transactions amount annually to a $3 billion two-way business, most of it with the United States. Income from international transactions on current account has grown seven times in dollar terms since 1939—from $216 million in that year to $1,436 million in 1956. Expenditures have expanded eight times during the same period, from $181 million to $1,427 million. Mexico is one of the United States' best customers, absorbing $840 million in goods last year. Our share in United States' exports has doubled since the prewar period and our purchases have kept up with the substantial expansion of U. S. sales abroad during the last two years. Mexico's share in world trade also is higher than it was before the war.

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Clearly our policy of importing on a selective basis is not designed to reduce imports below our ability to finance them, but simply to distribute our foreign exchange resources in a way that will contribute most to domestic productivity and external purchasing power. It is implemented by import permits required for certain goods and by differential import duties (with respect to products but not with respect to countries of origin). Our import duties are also intended to protect our young industries.

Our booming imports, and other foreign exchange needs, have been financed principally by growing exports and services, although direct private investment and development loans from abroad have made it possible to obtain critical capital goods. The proportion of agricultural products in our export trade has been growing, and now amounts to 55 percent of the total value of exports, compared to 28 percent in 1939. Meanwhile, the share of mining has declined from 65 percent to 29 percent. Since the end of the war, tourist income has become an important source of foreign exchange and now brings in half as much as we derive from all our exports.

Favorable internal and external conditions in recent years have permitted us to build up our dollar reserves to a level sufficient to finance imports over a five-month period at current high levels —an enviable exchange position. Moreover, the tremendous expansion of our international account has taken place under complete convertibility of the peso, and absolute freedom of exchange. Our international credit standing is at an all-time high, thanks to scrupulous fulfillment of obligations and promising growth potential.

Notwithstanding the enormous rate of population growth, real income per capita has nearly doubled during this brief period between 1939 and 1956. The Mexican economy has moved from dead center, and bears the potential for continued accelerated growth. As long as a rising portion of the annual increment in product is saved, increased investment will accelerate further growth, without reducing absolute per capita levels of consumption. This is roughly what has taken place in the Mexican economy since 1939, although not with perfect consistency, of course.

In terms of the labor force, economic development has meant rising productivity per worker in all sectors as well as a continuous shifting of workers to more productive enterprises. Farming, which absorbed 70 percent of the work force in 1930, today em-

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ploys only 54 percent, yet during this interval agricultural production has increased 300 percent. Industry, which employs 16 percent of the work force, contributes 29 percent of the income generated.

The growth of industry, trade and services has brought about rapid urbanization, and 45 percent of the people now live in cities. Among the cities that doubled in population between 1940 and 1950 are Matamoros, in one of the new cotton-raising belts in the North; Culiacan, in the prosperous agricultural and industrial area of the Pacific North; and Nuevo Laredo, focal point for the growing trade with the United States. Our four largest cities—Mexico City, Guadalajara, Monterrey and Puebla—have grown more than 5 percent a year since 1940. Mexico City has boomed to 4,500,000 and is now the second largest city in Latin America, and fourth in the Hemisphere.

Among other changes relevant to economic development have been the extension of elementary education, reduction of illiteracy, expansion and improvement of advanced technical and professional training, including research facilities and substantial betterment of health and social security—all decisive factors for raising the quality of the people as producers. Of special significance has been the rise of a progressive middle class, whose attitudes and habits of work and saving and self-improvement are so important to an expanding market economy. Likewise Mexico is proud of its artists and scientists; Mexican painters and architects have long been leaders. Our University City, the Institute of Cardiology, the Institute of Nutriology, the Institute of Tropical Diseases, and the like, are but a few examples of the spirit of advancement that permeates Mexico today.

IV

Of the many problems met with in our development, perhaps the most stubborn has been that of limiting the pressure on prices and on our exchange position produced by the high levels of investment. We may take some comfort, however, in the fact that our inflation did not reach the extremes suffered in other countries undergoing intense capitalization, and through it all, we have maintained complete freedom of exchange. The emergence of vigorous Mexican entrepreneurs, the response of the workers and farmers, the willingness of the people to save for the future, the dynamic contribution of know-how and capital from abroad,

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and favorable external factors—all these have helped to ease the inflationary pressure.

Like many other nations throughout the world, Mexico had to modify the exchange rate of its currency in 1949, in order to adjust the peso to postwar economic conditions. The new par value was fixed so as to strengthen the balance of payments as well as to prevent, to the greatest degree possible, an unleashing of inflationary pressures. Then came the Korean War; but the cutbacks after the cease-fire brought about a pronounced deterioration in our terms of trade. This, together with the 1953 recession in the United States and a sharp drop in dollar reserves, made a further devaluation imperative in April of 1954. Since that time, however, our monetary reserves have more than doubled. They have increased from $200 to $440 million, even though we have had to overcome several unfavorable demand and price developments during the last year and a half: a drop in cotton prices, caused by the export of U. S. surpluses at prices much below those paid to the American farmer; a reduction in metal prices, especially in lead and zinc; and a severe drought, which compelled us to import large quantities of corn in 1957.

We are now confident that our economy has passed the stage when we were forced to employ devaluation as the only means to correct a disequilibrium in our balance of payments without halting the development of the country. Henceforth, we shall obtain the same results by means of a wider and more effective mobilization of domestic savings, both public and private, and through sound fiscal and monetary policies. We now possess the resources and the determination to maintain a stable and free convertible currency.

Current tax receipts now represent the chief source of funds for public investment. The total public debt has declined relatively from a level representing 14 percent of national income in 1939 to 8 percent in 1956. During the last three years, despite increased expenditures and high rates of growth, we have enjoyed a Federal budget equilibrium, building up our dollar reserves substantially, and reducing considerably the rise of prices.

While maintaining financial stability, we naturally want to accelerate future development as much as possible. The absolute levels of income of the majority of the people are still depressed and at present rates of growth it will take many years to catch up even partially to standards of living in other countries. Great

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numbers of our people are unproductive, or not fully productive; only 34 percent of the population of 32,000,000 are gainfully occupied, and economic development has barely increased the work force in proportion to the total population (bringing about, rather, a shift to more productive occupations). A further increase in the investment ratio is required to furnish additional productive employment and to strengthen the purchasing power of the great majority.

There is a positive rôle for foreign capital in this growth potential, just as there has been in the recent economic development of Mexico. Long-term credits amounting to $570 million have been supplied principally by the Export-Import Bank, the International Bank for Reconstruction and Development, and during recent years by a number of private banks and suppliers in the United States and Europe. Of these, $256 million have been amortized, and $58 million paid in interest charges. The servicing of these strategic credits has been moderate, averaging less than 3 percent of foreign exchange income on current account since 1942, when this type of operation was initiated, or only slightly higher than the servicing of our old public debt (2 percent) which has had no counterpart in current investment during this period. As the old "dead" debt is paid off, our capacity to service new active development credits will increase.

The servicing of direct private investments has been somewhat heavier, averaging about 7 percent of income on current account since 1939. New investments amounting to approximately $680 million have flowed into the economy in this period, most of it from the United States, and profit and other remittances have totalled $890 million.

The dynamic quality of direct private investments, of course, has had a much more important impact on our development, bringing production and employment in new fields and generating new income and exports. Permanent benefit to the economy also has been derived from the new techniques introduced in production, organization and marketing and from the training of local personnel.

We would like to see an increase in these mutually beneficial relations which provide opportunity for legitimate profit on the one hand, and contribute to raising our standards of living on the other. We believe the formula which best suits these objectives is the joint participation of foreign and Mexican capital,

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private or public, for we have had very satisfactory results with this combination. We would also like our investors from abroad to sink their roots more deeply into the Mexican community—by plowing back profits, training national workers and technicians, and understanding our problems and ideals.

On the other hand, the investment needs of the country are vast, and cannot be met entirely by private capital. Some of our most pressing investment requirements lie in the public sector and include transportation, electric energy and petroleum expansion.

Mexico is ready to accept, to the fullest extent possible, the coöperation of the United States, and of other countries, for its economic development, but final responsibility can lie only on our shoulders. Mexico will certainly do its best to ensure that our development program is conducted in an atmosphere of friendliness to other nations and with benefit to all.

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MEXICAN RESISTANCE TO COMMUNISM

By S. Walter Washington

WHY have the Communists not done better in Mexico? To a casual observer, conditions in that country have long seemed to favor them, and from the early twenties through the late thirties many Americans feared that they would eventually gain control of the country. Not only have the Communists failed to do that, they have not even gained significant strength. In looking for an explanation we should first recall that where the Communists have obtained complete control—Russia, Eastern Europe and China—they did so during especially critical periods involving the collapse of existing authority during or following a world war. In Mexico, such a situation did exist in the second decade of this century, but when the Communists arrived on the scene they found themselves thwarted by the success of the Mexican Revolution, which had gained sufficient momentum to withstand any encroachment. At times the Communists have seemed to be gaining a disturbing influence; but the character of the Mexican, the devotion of the leaders to the ideology of their own revolution, their success in creating enough stability to permit the gradual economic development of the country, together with the impact of the United States, have so far combined to defeat them.

The Mexican Revolution started its active phase in 1910 as a revolt against the strong one-man rule of Porfirio Díaz. Though it was marked by violence in various forms during the first decade, it had a good deal to show for itself by the time the Russian Communists began sending their propaganda and their agents out into the world. Whatever the Communists seemed to be promising, the Mexican revolutionists were able to equal, and even to better. Agrarian reform, nationalization of industry, and social security were carried out by the Mexicans under their own momentum and with little, if any, help from the Communists. To the extent that labor ideology played a part, the Mexican Revolution grew out of an anarcho-syndicalism rather than Marxism. The brothers Flores Magón were the prophets of the Revolution during the first decade of the twentieth century, and though Karl Marx was respected by them and their disciples, he was not their main inspiration. The I.W.W. (International Work-

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ers of the World) was the non-Mexican organization with which the active Revolution was most closely associated.

The ideals of the Mexican Revolution were incorporated in the 1917 Constitution and, in the 40 years that have since elapsed, a constitutional government has brought Mexican practice remarkably close to those ideals—closer than many people would have predicted a few years ago. Remarkably, too, these ideals have dominated the army. Except for one or two disgruntled generals in the early days, who carried few followers with them, there has never been any indication of Communist success in infiltrating the Mexican Army. This is important, because the Communists have not triumphed anywhere without first winning and then using the military.

The Communists have also failed to find themselves a real leader. No Mexican revolutionary leader unfurled the Communist banner. The nearest proximation, Vicente Lombardo Toledano, came from the intellectual class, not from the military or the workers. He has lived in opulent style and has never dared to break with the Government. As a consequence the workers have considered him merely another politician, with undertones of insincerity and opportunism. He accepted a mission from Moscow during the later stages of the Mexican Revolution, and carried it out intelligently and efficiently, but his leadership was more respected abroad than in Mexico.

The official Communist Party (P.C.M.) is small and getting smaller. The leaders seem to be afraid of new members and new ideas, while the members themselves are reluctant to discuss anything that looks controversial. A little more vitality, but very little, is shown by the Communist-supported *Partido Obrero Campesino de México*. Neither the P.C.M. nor the P.O.C.M. had enough support to register as a party in the last election. There is more life in the *Partido Popular* (P.P.), of which Lombardo Toledano has retained control with great difficulty and after a bitter party fight. In the last election it was officially credited with only 75,000 votes, although the actual number may have been somewhat larger. Indeed, the official government party, the Party of Revolutionary Institutions (P.R.I.), is thoroughly in control of the political situation and appears unchallenged from any quarter.

To be sure, Communists occupy a number of important posts in the field of education, and some schools are dominated by

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Communists. Much of the economic literature reflects Marxist thinking, and during the last few years there has been a recrudescence of Communism in the universities, although those who talk the line are often ridiculed by their colleagues. The Petroleum Workers Union is infiltrated with Communists and in the area of Monterrey the Railway Workers Union appears to be controlled by them. The Electrical Workers Union has one Communist in high office. The principal workers' organizations, however—notably the Confederation of Mexican Workers and the Miners Syndicate—are all in the hands of anti-Communists. Tolerance of Communists enables them to exploit local situations under special circumstances, and sympathy with Soviet Russia is often shown by individuals, such as Lázaro Cárdenas, as a hedge against United States influence, or perhaps out of spite. But Communist activity in Mexico adds up to very little in comparison to that in other countries which seem at first glance to be similarly situated.

II

The failure of the Communist Party to make a better showing in Mexico is not due to lack of trying, at least for the first two decades. Communist agents came to Mexico as early as 1917. Among them were the Hindu, Manabendra Nath Roy, and Linn E. Gale, a deserter from the United States Army. They had some initial success but fought each other and both were eventually expelled by the Government for interfering in Mexican labor organizations. The Soviets sent over other foreigners: a Japanese named Sen Katayama; Borodin, sometimes described as a Russian and sometimes as an American of Russian origin; an American, Roberto Haberman; a girl of Russian origin named Natasha Hichelowna; and later, foreigners of Latin American origin. They started fighting amongst themselves, however, and one faction, controlled by Haberman, exposed the others as Russian spies, with the result that eventually the lot of them were expelled from Mexican labor organizations.

In 1924, Mexico recognized the Soviet Union and a Russian Legation was established in Mexico City. One of its officials remarked in private that the historic mission of the Mexican proletariat would be to sacrifice itself as "shock troops" in the approaching battle against the United States, to save the international proletariat from one of the strongest protectors of capi-

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talism.[1] Apparently in furtherance of this plan, the Legation obtained invitations for many labor and peasant leaders, as well as intellectuals, to travel to Russia. Upon their return from Moscow they showed their appreciation by joining a society called "The Friends of the U.S.S.R."

The Communists organized, at least on paper, the *Confederación Latino-Americano de Trabajadores,* an inter-American labor organization, and its Mexican member, the *Confederación Sindical Unitaria de Mexico.* Their Moscow connections were exposed, however, and both organizations fell to pieces. Soviet interference in the agrarian reform movement and the Communist infiltration into the 1926 railway strike caused the Mexican Government to take steps to repress their activities. The Russians played up to Portes Gil when he became President in 1928, but their prosperity was short-lived. In 1929, President Ortiz Rubio started an anti-Communist campaign, deporting two active Russian agents, Blanckwell and Rozovski, and in the following year he severed relations with the Soviet Union, expelling the entire Legation.

When Cárdenas stepped into the Presidency in 1936, attempts were made again by the Russians to interfere in government affairs. Cárdenas at first repulsed them, but after he and Calles had their falling out, the National Revolutionary Party (P.N.R.) accepted Communist members, and Cárdenas also recognized the Communist Party. Vicente Lombardo Toledano, who had allied himself with Cárdenas, was invited to Moscow, and upon his return he embraced the Communist leader, Hernán Laborde, in public. During this period the Communists sought to establish a Popular Front, and they managed to convince many sectors of the public that they were the power behind the throne. President Cárdenas' leftist bent and his recognition of the Communist Party caused many people to espouse the Communist cause because they thought they had to do so in order to get jobs in the Government.

Cárdenas' leftist policies in connection with the land reform and the expropriation of the oil companies' properties, while admittedly parallel to Communist thinking, were actually Mexican in origin. They were based on principles which had been written into the 1917 Constitution. Cárdenas was basically anti-Ameri-

[1] Ricardo Treviño, "El Espionaje Comunista y la Evolución Doctrinaria del Movimiento Obrero en México." Mexico City: A. del Bosque, 1952, p. 26.

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can in his outlook and he was not above using the Communists to offset the influence of the United States. He did not, however, resume diplomatic relations with the U.S.S.R., and his freedom from complete subjection to international Communism is shown by his inviting Trotsky to take asylum in Mexico. And when Trotsky was assassinated, Cárdenas delivered a thorough condemnation of Stalinism. He also denounced the Russians when they invaded Finland. His attacks on the Communists before the end of his administration actually placed them in a difficult situation in Mexico, and the Stalin-Hitler Pact compounded their confusion. That Cárdenas was not committed even to an inflexible leftist philosophy is indicated by the choice of his successor. He strongly endorsed, if he did not actually choose, General Manuel Avila Camacho, who was certain to incline the Government to the right.

With Germany's attack on Russia, sentiment changed and, under pressure from the United States after Pearl Harbor, diplomatic relations with the Soviet Union were resumed. To represent them in Mexico, the Russians sent the notorious Ambassador Oumansky, who was outspoken in his plans for the development of Communism both in Mexico and in all Latin America. Taking advantage of the popular sympathy which it commanded, the Soviet Union made a strong effort during this period to build up the Communist following below the Rio Grande, including Mexico. Oumansky's death in an airplane accident put the brakes on what seemed to be a movement of great danger to the United States and its position in the hemisphere.

Since the end of the war the American press has carried many reports of Communism in Mexico. The statements of Diego Rivera and the movements of Lombardo Toledano have been duly recorded. The Soviet Embassy has indeed been active. Yet, for a variety of reasons, the trend of Mexican politics and labor has actually been away from Communism. We may now turn to a more generalized answer to the question, why the Communists have done so poorly in Mexico.

III

Mexicans are deeply religious. Although the Mexican Revolution was to some degree a revolution against the power of the Church, and although the Church was often persecuted with all of the power of the Government, particularly during the tenure

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of President Calles, this did not make the Mexican people any less religious. Religion to the Mexicans is related to a nationalism that is deeper than mere patriotism and deeper than any loyalty to the Revolution. It is symbolized in the tradition of the Virgin of Guadalupe. Mexicans, high and low, believe that the Virgin bestows special favors on Mexicans. She is a national symbol, a unifying force, stronger than the Royal Family is for England or the Constitution for the United States. As a symbol, the Virgin is more personal, more protective—the ideal mother of all Mexicans, worshipped by all Mexicans.

It must not be forgotten that the Mexican Revolution, though to some extent carried out at the expense of the Church, was imbued with a kind of Christian-like spirit; its purpose was to help the underdog. Religion was not destroyed, and because of his religion the Mexican has something to look forward to. There is no atheistic void awaiting the arrival of a Communist faith. In comparison to many Roman Catholic countries with considerable Communist strength, Mexico is a land where the sincerity of religious conviction is strong relative to the power of the Church.

Another obstacle to Communism is the character of the Mexican himself. One of his outstanding traits is what in Spanish is called *desconfianza*—a distrust combined with cynicism and even fear. It is probably the result of generations of Spanish, French, English and United States domination of the Indian, accompanied by the white man's constant assertion of superiority and the constant downgrading of anyone with Indian blood. In the pure Indian this has been partly counterbalanced in recent times by the growing recognition of indigenous arts and crafts. The *mestizo,* or person of mixed Spanish and Indian blood who forms the dominant group in present-day Mexico, combines this distrust with something of the egotism and individualism seen in his Spanish forebears. His complex character is illustrated in his frequent use of the word *"gana." Tener gana* (just "to want to") seems to be an accepted reason for actions ranging from flirting with a pretty girl to committing murder. The use of the expression in explaining someone's strange action is a sort of recognition of the individual's right not to have his motives probed into too deeply. This psychology enables the Mexican to accept what he has obtained or thinks he can get from his homemade revolution, but makes him distrustful of any organization or

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ideology that can be shown to have a foreign sponsorship. The identification of Vicente Lombardo Toledano with Soviet Communism has undoubtedly been a prime factor in his declining prestige since his pre-Communist days when President Cárdenas elevated him to a commanding position in the labor movement.[2]

The United States and its citizens have played an important rôle in creating the *desconfianza* of the Mexican and at times we have been the principal target of this distrust. But it would be wrong to assume that all Mexicans are anti-American. The Mexican both admires and fears the United States. He admires our democracy, but fears our "imperialism." He tends to feel inferior racially and in terms of economic and political developments, but superior in culture and spiritual affairs. Yet, for good or for ill, American culture is having a tremendous impact in Mexico, especially among the newly rich class. The young people of the upper and middle classes imitate American habits, including a liking for Elvis Presley. It is interesting to note that in a recent poll of Mexican school children, in answer to the question, "Would you like to be an American?", 57 percent of the boys and 67 percent of the girls replied, "Yes." Once upon a time, France was the country to which the educated Mexicans sent their boys for study, but today it is the United States. As in many countries which have come late to the industrial age, Mexicans are having difficulty distinguishing between aspects of United States culture which they wish to adopt and those they would like to reject in order to preserve their own cultural integrity.

Many of the Mexican's political concepts came from the United States. For example, the first Mexican Constitution was formulated on the basis of ours. But the principal American influence is exercised through economic channels, and this eventually affects politics. The mass of the people may be unconscious of the impact of the United States, but since the great economic expansion of Mexico an increasing number are aware that they are at least indirectly dependent upon the United States for their material existence. During the administrations of Presidents Avila Camacho, Alemán and Ruíz Cortínes, private enterprise has been given many opportunities. Recently there have been signs of a

[2] Space does not permit a thorough discussion of Mexican psychology, but for those who would delve more deeply I highly recommend "El Perfil del Hombre y la Cultura en México," by Dr. Samuel Ramos. A recent and revised edition is published by Espasa-Calpe Argentina S.A., Buenos Aires-Mexico.

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swing in the other direction, but on the whole it can be said that the Mexican Government is committed to promoting private enterprise. A considerable portion of this is financed by American capital and this association creates pressures on Mexico to adjust its policies to those of the United States.

Even labor circles in Mexico have looked toward the United States. Samuel Gompers had close connections with Mexican labor leaders and contacts have been maintained up to the present time. Although Mexican labor has at times seemed to be inclined towards Communism, in general it considers the United States a better model to follow than the U.S.S.R.

Of course, too, the very nearness of American power has been an important factor in Mexico's resistance to Communism, especially in the critical period of the 1920s. Like many peoples, Mexicans respect power, and that of the United States is very close. It has been said that Mexicans fundamentally fear the United States will some day use its power in the way that they themselves would use it if they had it. Though Mexicans may be tolerant towards Communism and Communists within their country, and though they are very sensitive to any American interference in their internal affairs, they believe that the United States would not sit idly by watching the triumph of Communism within their borders.

The most decisive element in Mexican resistance to Communism during most of the period since 1920 has been the power of the Mexican Government at home. It is often said that the Latin countries are still experimenting with different forms of government in an effort to find one that is suitable for their peoples. Mexico may have found the answer, at least for itself. The political stability of Mexico during the last 35 years has been remarkable. Each change of administration has been peaceful and constitutional. The president cannot succeed himself and, although he has had the decisive word in the choice of his successor, it is noteworthy that succeeding presidents have asserted their independence, sometimes to the point of repudiating their predecessors' policies. Calles, for example, selected Cárdenas, who reversed Calles' policies and forced him out of the country; and Cárdenas must have foreseen that his leftist policies would be revised when he gave his blessing to the candidacy of Avila Camacho. The process of selection is not completely arbitrary, for it involves consultation with many different people, including

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ex-presidents and the leaders of the various factions of the P.R.I. But the president must make the final decision, and the man he selects is sure to be elected; the Government party has never failed to put its candidate in office. This is not democracy in our sense of the term, for the people have no real choice; they merely ratify the selection made by the ruling group, headed by the outgoing president. Yet the system has worked for nearly four decades and has given a stability to the country while national energies were devoted to economic and social development.

Once selected, the candidate for the presidency has the whole P.R.I. organization under his orders. He chooses the candidates for the Supreme Court, the Congress and the state governorships. Once elected, he does not have to account to anyone, although he must conciliate the interests of those who helped him to power. He chooses his cabinet, of which the most important members for controlling the country are the Ministers of Defense, of Government (Interior) and of Labor; they are likely to be strong men whose loyalty to the president and to the P.R.I. is beyond question. The Minister of Government controls the police; and the Minister of Labor has great power in his field; he licenses unions to operate (a privilege that can be withheld), he declares strikes to be legal or illegal, and, by means of political patronage, holds labor leaders responsible for keeping social peace in their unions.

The Government controls the superstructure of Mexican society through the *Cámara Nacional de Industria,* the *Cámara Nacional de Comercio,* the *Cámara Nacional de Industria de Transformación,* the *Cámara de Hierro y Acero,* and the *Banco de México.* It controls the press through the distribution of newsprint. Direct contacts are maintained between officials of the Government and the editors or publishers of newspapers. All papers at times attack the Government and this gives the semblance of a free press. Government interference is on an *ad hoc* basis, so that unless instructions are received publications are fairly free. Through its control of the press, the Government effectively limits the opportunity afforded leftist intellectuals to publicize their views. In view of these controls of the political machinery, the labor unions and the press, there is very little chance for Communism or for any other ideology to make much headway unless the Government wishes it to do so.

A successful tactic of the Government party is to absorb ele-

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ments from the right and from the left that may look threatening. The P.R.I. is all-inclusive, embracing all shades of opinion. Leftist leaders are brought within the party fold, not to direct, but to be controlled. The only means of getting ahead politically in Mexico is to belong to the P.R.I. This discourages other parties and keeps them small. The P.R.I. is widely criticized and can hardly be said to have the admiration of the people, but they do not dispute its power.

Another technique, already mentioned, is to "tolerate Communists." One of the Mexican's characteristics is his liking for the underdog. Communists have never been persecuted in Mexico, and as a result, there are no Communist martyrs among the Mexicans. Cárdenas' favors to the leftists actually created a reaction toward the right, even in the universities. The policy of tolerance has, therefore, actually aided Mexico's resistance to Communism.

Still another factor has been the rise of the middle class. The lowest class of Mexicans probably lives no better now than it did in the time of Porfirio Díaz, and in absolute numbers this class has increased. Relatively speaking, however, the middle class has grown much faster, and this is composed of people who not only believe that by fair means or foul they can advance themselves in the world, but have done it or seen it done. The P.R.I. is devoted to the establishment of a *mestizo* capitalist class to replace the foreigners who have been so important economically in the past. One of the party's methods is to use "regulated graft" for furthering industrialization. The opportunities that this affords for the accumulation of property leaves little room for temptation by a Communist ideology.

The rise of the middle class has been made possible by the economic progress of Mexico in the last 15 years or more. First there was the wartime boom born of the great demand for Mexican raw materials, and since World War II Mexico has followed the upward economic surge that has characterized the United States. The economy might be called a "directed economy." Official intervention has developed needed industries but has left large sectors open for private initiative. It is estimated that 14 percent of the national income is reinvested each year through taxation and currency devaluation. An index of the increasing prosperity is given by comparing the 300 million peso budget of 1942 with the 1956 budget of 5,700 million pesos. Even allowing

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for the decline in value of the peso—from 4.65 to 12.50 for the dollar—the increase in the budget (from $64,500,000 to $456,000,000) shows an enormous increase in taxable resources. Although this prosperity cannot be considered a permanent element in Mexican resistance to Communism, it has been significant during the postwar years.

One important point remains to be considered in explaining Communism's lack of success in Mexico. It has been suggested that the Communists have not tried to create a large movement there. The basis for this thinking is that Mexico, by giving asylum to all kinds of refugees—and they include King Carol of Rumania, Leon Trotsky, Spanish Republicans, Guatemalan exiles and American Communists fleeing from the F.B.I.—has become a convenient center for Soviet propaganda and espionage. Communist exiles, especially from the Western Hemisphere, are welcome there and can serve as liaison with their co-religionists in other American countries. Through them propaganda can be carried on throughout the hemisphere. Moreover, the Rio Grande is relatively easy to cross and Mexico is therefore an ideal base of operations for Communist espionage in the United States. It follows, according to this line of reasoning, that a large Communist movement in Mexico would only attract attention and would cause the other countries of the hemisphere, especially the United States, to increase their precautions.

Whether these assumptions are valid today we cannot tell. But we have seen that in the '20s, '30s and early '40s the Communists did try to create a strong position in Mexico and it appears that they failed because of the internal resistance they encountered. The possibility remains that since the death of Ambassador Oumansky they have realized that they were making no progress and have reduced their effort there. It does not necessarily follow that the Soviet Union is happy with the situation. A stable government, a rising middle class, general prosperity and the accomplishment of objectives which the Communists call their own do not serve their interests in other parts of Latin America or of the world.

IV

Forty years ago Mexico was underdeveloped, unstable and ripe for leftist leadership. Considering its apparent vulnerability and strategic importance, it is remarkable that Mexico escaped

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the Communist embrace. But the Mexican Revolution had gotten a head start and this nationalist movement went ahead on its own momentum, almost oblivious to the challenge of the foreign ideology. It showed a remarkable capacity for peaceful change of leadership and flexibility in moving toward its goals. The leadership by the Government has been strong but adaptable. It has sensed when and where it could be ruthless and when and where it was more advantageous to be tolerant. The power of the Church was challenged and broken but the religious feelings of the people were not dulled. The economy of the country was disrupted by the seizure of the large agricultural holdings and the foreign oil properties, but conditions were created that permitted large numbers of individuals to better themselves materially and a middle class to emerge. Although tolerant of individual dissidents, including Communists, the Mexican Revolution and the political machinery which it established have provided a haven for all the politically ambitious, those of varying colorations being absorbed into the revolutionary party.

As a result of these factors, combined perhaps with the proximity of the United States, Communism has had little appeal, whether as a theory, a discipline, or as a road for material advancement. So far Mexicans have shown that an indigenous nationalistic movement can run its course under its own steam, refuting the frequent assumption that nationalism is inevitably used by the Communists for their own ends.

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RECENT BOOKS ON INTERNATIONAL RELATIONS

By Henry L. Roberts

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General: Political, Military and Legal

RUSSIA, THE ATOM AND THE WEST. By GEORGE F. KENNAN. New York: Harper, 1958, 116 p. $2.50.

It is good to have Mr. Kennan's Reith lectures available in book form since much of the debate on their contents seems to have been carried on out of context. There is much material for debate in his views on some form of withdrawal and disengagement in Central Europe, on military defense and the weapons race, and on the non-European world. But as he says, "What I have tried to suggest here is not what governments should do but what they should think about." As always Mr. Kennan's thoughts are conveyed with style and taste.

POWER AND DIPLOMACY. By DEAN ACHESON. Cambridge: Harvard University Press, 1958, 137 p. $3.00.

These four lectures on the present position and responsibilities of the United States develop certain familiar themes in Mr. Acheson's thinking—the need for flexible military capabilities and the emphasis upon the NATO alliance. He also criticizes a number of shortcomings which he finds both in the Administration's policy and the proposals of some of its opponents. In particular he does not favor the "neutralization" of Germany or having the United States carry the banner of anti-colonialism at the expense of our European allies.

SYSTEM AND PROCESS IN INTERNATIONAL POLITICS. By MORTON A. KAPLAN. New York: Wiley, 1957, 283 p. $6.50.

An attempt to make a systematic and theoretical analysis of international politics, and more particularly to investigate four methods of approach, by way of systems of action, processes, values and strategy.

SOVEREIGNTY: AN INQUIRY INTO THE POLITICAL GOOD. By BERTRAND DE JOUVENEL. Chicago: University of Chicago Press, 1957, 319 p. $4.50.

In this important book M. de Jouvenel, who has reflected and written on the nature of power, delves into the problems of sovereignty, political ethics and the proper exercise of authority. (French edition noted here October 1956.)

THE BREAKDOWN OF NATIONS. By LEOPOLD KOHR. New York: Rinehart, 1957, 244 p. $6.00.

Professor Kohr is against bigness—big countries, big populations.

FORCED TO BE FREE: THE ARTIFICIAL REVOLUTION IN GERMANY AND JAPAN. By JOHN D. MONTGOMERY. Chicago: University of Chicago Press, 1957, 209 p. $4.50.

Using as case studies the postwar measures at democratization in occupied Germany and Japan, the author develops the theme of "artificial revolution" as a useful method which may, under somewhat different conditions, be useful in future American policy.

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EVOLUTION OR REVOLUTION? By Lincoln P. Bloomfield. Cambridge: Harvard University Press, 1957, 220 p. $4.50.

A study centering on the rôle of the U.N. in the process of effecting a peaceful change in the international status of territories.

A UNITED NATIONS PEACE FORCE. By William R. Frye. New York: Oceana Publications (for the Carnegie Endowment for International Peace), 1957, 227 p. $3.75.

Taking off from the United Nations Emergency Force created to meet the 1956 crisis in the Middle East, the book undertakes to appraise whether some such instrument might be made available to the U.N. on a permanent basis to prevent or contain small wars.

THE UNITED NATIONS TRUSTEESHIP SYSTEM. By James N. Murray, Jr. Urbana: University of Illinois Press, 1957, 283 p. $4.50.

A monographic study of the origins of the trusteeship system and the functioning of the Trusteeship Council. On the whole the author finds the system functions well.

SOVIET DIPLOMACY AND THE SPANISH CIVIL WAR. By David T. Cattell. Berkeley: University of California Press, 1957, 204 p. $3.00.

This volume, a sequel to the author's "Communism and the Spanish Civil War" (noted here October 1955), deals with "the Soviet attempt to use the Spanish crisis to strengthen her relations with England and France and to defend herself against German aggression." The author, however, does not see Soviet policy as purely defensive; the theme of subversion and Communist expansion is also present.

UNHOLY ALLIANCE. By Gerald Freund. New York: Harcourt, 1957, 283 p. $6.00.

A very able unraveling of the complex threads of Soviet-German relations between 1918 and 1926, a period when German desire for *revanche* and Bolshevik desire for revolution made common cause. While other scholars, diplomatists and journalists have written on the Rapallo agreement and the secret military coöperation, this is perhaps the best single account for those years.

THE UNCERTAIN ALLY. By John Biggs-Davison. London: Johnson, 1957, 199 p. 15/.

"Non-discrimination is a cosmopolitan principle, as revolutionary as the internationalism of the Communists. The logical end is the same: World Empire incompatible with government by consent, or World Catastrophe." Britain's hope of not succumbing to Soviet or American imperialism, this Tory M.P. says in vigorous language, depends on strengthening the bonds of Commonwealth, mostly by increased imperial preference in trade.

YEAR OF CRISIS: COMMUNIST PROPAGANDA ACTIVITIES IN 1956. Edited by Evron M. Kirkpatrick. New York: Macmillan, 1957, 414 p. $5.50.

This book, a sequel to "Target: The World" (noted here January 1957), is, like the first, an effort to provide an annual survey of Communist propaganda activities, in this case for the year 1956.

SURVEY OF INTERNATIONAL AFFAIRS 1954. By Coral Bell. New York: Oxford University Press (for the Royal Institute of International Affairs), 1957, 329 p. $7.20.

This volume of the well-known series naturally centers on events in Asia and their repercussions—the end of the war in Indochina and the Geneva Conference.

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CHRONOLOGIE DES RELATIONS INTERNATIONALES DE 1870 À NOS JOURS. By Jean Bach-Thai. Paris: Éditions des Relations Internationales, 1957, 275 p. Fr. 1260.

A somewhat imprecise and arbitrarily selected chronology.

POLITICAL HANDBOOK OF THE WORLD. Edited by Walter H. Mallory. New York: Harper (for the Council on Foreign Relations), 1958, 229 p. $3.95.

Brought up to date as of January 1, 1958, this standard annual reference work gives the composition of the governments of all countries; sums up party programs and lists their leaders; and lists newspapers, indicating their political affiliations and editors.

REPORTING THE WARS. By Joseph J. Mathews. Minneapolis: University of Minnesota Press, 1957, 322 p. $6.50.

An extensive history of "war news" from the eighteenth century to the present —how it was gathered, transmitted and made public.

TRATADO SÔBRE A NACIONALIDADE. By Ilmar Penna Marinho. Rio de Janeiro: Imprensa Nacional, 1956–1957, 3 v.

A massive juridical treatise on nationality: the first volume deals largely with general principles, the second is a study in comparative law, the third concerns Brazilian nationality law.

THE GREAT DETERRENT. By Sir John Slessor. New York: Praeger, 1958, 321 p. $6.00.

In this collection of lectures, articles and broadcasts over the years since 1933, the Marshal of the Royal Air Force develops his views of strategic policy, with particular emphasis on the nuclear age.

THE PROSPECTS OF NUCLEAR POWER AND TECHNOLOGY. By Gerald Wendt. Princeton: Van Nostrand, 1957, 348 p. $6.00.

Information on the peaceful use of atomic energy, for the layman.

THE NEW WORLD OF THE ATOM. By James Stokley. New York: Ives Washburn, 1957, 288 p. $5.50.

A useful, non-technical summing up of recent developments in the nuclear field.

General: Economic, Social and Cultural

GREAT CITIES OF THE WORLD. Edited by William A. Robson. New York: Macmillan, 1957, 814 p. $11.00.

A massive and absorbing symposium dealing with the growth, government, politics and planning of 24 great cities of the world.

THE ECONOMICS OF UNDER-DEVELOPED COUNTRIES. By Peter T. Bauer and Basil S. Yamey. Chicago: University of Chicago Press, 1957, 271 p. $2.25.

A brief analysis of some of the major issues of economic policy relating to the problems and difficulties of underdeveloped countries.

INTERNATIONAL AND INTERREGIONAL ECONOMICS. By Seymour E. Harris. New York: McGraw-Hill, 1957, 564 p. $7.00.

Starting with a study of problems of international economic adjustment in the postwar world (the dollar shortage, convertibility, American trade policy, etc.), Professor Harris was driven backwards to consider the problem in more general

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terms, to show the relevance of inter-regional adjustments within the United States, and finally—at the beginning of the book—to survey the theory and history of the subject.

ESTABLISHMENT OF THE INTERNATIONAL FINANCE CORPORATION AND UNITED STATES POLICY. By B. E. Matecki. New York: Praeger, 1957, 194 p. $5.00.

A case study concerned with the extent and nature of the influence of an international institution upon American foreign economic policy.

THE WORLD'S SUGAR. By Vladimir P. Timoshenko and Boris C. Swerling. Stanford: Stanford University Press, 1957, 364 p. $6.50.

This publication of the Food Research Institute at Stanford deals with the long-range evolution of the international sugar market.

UNESCO: PURPOSE, PROGRESS, PROSPECTS. By Walter H. C. Laves and Charles A. Thomson. Bloomington: Indiana University Press, 1957, 469 p. $7.50.

A substantial and serious review of the origins, purposes, policies and achievements of the United Nations Educational, Scientific and Cultural Organization. The two authors have both served as officials in the agency.

The Second World War

WINSTON CHURCHILL AND THE SECOND FRONT, 1940–1943. By Trumbull Higgins. New York: Oxford University Press, 1957, 281 p. $6.00.

A criticism of Churchill's peripheral strategy in the debates connected with the timing and location of the Allied invasion of Europe; a conscientious study but not really meeting the full dimensions or complexity of this very difficult issue.

DYPLOMACJA OKRESU II WOJNY ŚWIATOWEJ. By Stefan Boratyński. Warsaw: Państwowe Wydawnictwo Naukowe, 1957, 402 p. Zl. 41.

This study of Allied diplomacy during World War II, by a professor in the Polish Foreign Service School, stresses areas of agreement and coöperation in an attempt to show that similar coöperation between East and West could prevail today. Based mainly on secondary sources and memoirs.

FALL GELB. By Hans-Adolf Jacobsen. Wiesbaden: Steiner, 1957, 337 p. DM. 26.

A detailed study of the development of the operational plans for the German offensive in the West in the spring of 1940.

RATKAISU 1944. By Wolf H. Halsti. Helsinki: Otava, 1957, 530 p. M. 1300.

The third and concluding volume of a study of the Finnish-Soviet War, focusing on the decisive developments of 1944.

VERRATENE SCHLACHTEN. By Hans Friessner. Hamburg: Holsten, 1956, 267 p. DM. 15.80.

General Friessner was commander of *Heeresgruppe Süd* in the summer and autumn of 1944. In giving his account of German military misfortunes on the Rumanian and Hungarian fronts he is very bitter about the political reversals in those two countries which destroyed his military position. A useful addition to the military history of this theater of operations.

AIR WAR AGAINST JAPAN, 1943–1945. By George Odgers. Canberra: Aus-

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tralian War Memorial, 1957, 533 p. (Sydney: Angus, 25/.)

THE JAPANESE THRUST. By Lionel Wigmore. Canberra: Australian War Memorial, 1957, 715 p. (Sydney: Angus, 30/.)

Two further volumes in the official Australian history of the Second World War. Odgers' study starts with the first R.A.A.F. offensive against Japan in 1943 and carries through to the end of hostilities. Wigmore's volume is largely devoted to the disastrous fighting in Malaya and Southeast Asia in the first weeks after the Japanese attack.

DIE DEUTSCHEN WAFFEN UND GEHEIMWAFFEN DES 2. WELTKRIEGES UND IHRE WEITERENTWICKLUNG. By Rudolf Lusar. Munich: Lehmann, 1958, 239 p. DM. 16.

An account of German weapons development in the Second World War. Some bizarre as well as deadly implements were devised.

DER SEEKRIEG: THE GERMAN NAVY'S STORY, 1939–1945. By Vice Admiral Friedrich Ruge. Annapolis: U. S. Naval Institute, 1957, 440 p. $5.00.

A general history of naval warfare in the Second World War, with particular emphasis on the rôle of the German Navy. The author is now *Inspekteur der Bundesmarine* of the German Federal Republic. (Original German edition, "Der Seekrieg 1939–1945," Stuttgart: Koehler, 1954, 320 p.)

The United States

AMERICA AS A CIVILIZATION. By Max Lerner. New York: Simon and Schuster, 1957, 1036 p. $10.00.

An extremely ambitious and surprisingly successful attempt to give a comprehensive picture of American life and society. Mr. Lerner, a columnist and teacher, has read widely and voraciously, has a far-ranging curiosity, and yet contrives to assemble his findings in a quite coherent whole.

THE NEW AGE OF FRANKLIN ROOSEVELT: 1932–45. By Dexter Perkins. Chicago: University of Chicago Press, 1957, 193 p. $3.50.

A concise, popular but very satisfactory account of the Roosevelt era.

AMERICAN DIPLOMACY IN THE GREAT DEPRESSION. By Robert H. Ferrell. New Haven: Yale University Press, 1957, 319 p. $4.50.

The author of a volume on the origins of the Kellogg-Briand Pact ("Peace in Their Time," noted here January 1953) continues his study of American diplomacy into the unsettling and bewildering years of the depression, 1929–1933. He finds American assumptions and policies inadequate, in part the result of the "triumph of events over intelligence."

THE ISOLATIONIST IMPULSE: ITS TWENTIETH-CENTURY REACTION. By Selig Adler. New York: Abelard-Schuman, 1957, 538 p. $6.75.

An extensive study of the sources and motivations of twentieth-century American isolationism, which the author likens to a glacier—slowly receding but leaving a good deal of debris in its wake.

THE CITIZEN ARMY: KEY TO DEFENSE IN THE ATOMIC AGE. By Frederick Martin Stern. New York: St. Martin's Press, 1957, 373 p. $6.00.

After comparing a citizen army with other forms of organization, especially the cadre-conscript or standing army, the author describes the way in which it can best serve the national defense in our present stage of military technology.

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WOODROW WILSON AND FAR EASTERN POLICY, 1913–1921. By Roy Watson Curry. New York: Bookman Associates, 1957, 411 p. $6.00.

A study of American relations in the Far East—Japan, China, the Philippines and Siberia—during the eight years of the Wilson Administration.

WILSON THE DIPLOMATIST. By Arthur S. Link. Baltimore: Johns Hopkins Press, 1957, 165 p. $4.00.

In these lectures a leading Wilson scholar appraises Wilson's qualities as a diplomatist and his achievements in the field of foreign policy.

THE AMERICAN ECONOMY. By Alvin H. Hansen. New York: McGraw-Hill, 1957, 199 p. $5.00.

A broad and optimistic appraisal of the American economy, its prospects for growth, and its ability to handle its difficulties, by one of the country's senior economists and leading Keynesians.

CONSERVATION: AN AMERICAN STORY OF CONFLICT AND ACCOMPLISHMENT. By David Cushman Coyle. New Brunswick: Rutgers University Press, 1957, 284 p. $5.00.

A history of the 50-year campaign to develop an adequate conservation policy in the United States.

THE NAKED GOD. By Howard Fast. New York: Praeger, 1957, 197 p. $3.50.

The American novelist here discusses the reasons which led him into the Communist Party and, eventually, out of it. Khrushchev's secret report of February 1956 appears to have been the event that occasioned the final break.

Western Europe

L'UNIFICATION ÉCONOMIQUE DE L'EUROPE. By Raymond Aron and Others. Neuchâtel (Switzerland): La Baconnière, 1957, 162 p. Swiss Fr. 7.50.

Seven authors of as many nationalities—Messrs. Aron, Malagodi, Abs, de la Vallée-Poussin, Cavendish-Bentinck, Van der Goes van Naters and Freymond—lecturing in Paris in the winter of 1956–57 under the auspices of the Swiss Chamber of Commerce in France, discuss the relations and attitudes of their countries to the measures under way or contemplated for closer economic integration of Western Europe.

LA COMUNITÀ ECONOMICA EUROPEA E L'EURATOM. By Nicola Catalano. Milan: Giuffrè, 1957, 563 p. L. 3000.

Giving special attention to legal and organizational problems, the author exposits and analyzes the treaties for a European Economic Community and a European Atomic Energy Agency. Full Italian texts of both treaties are included.

LA LOCALIZACIÓN DE LAS ACTIVIDADES ECONÓMICAS EN EUROPA DESPUÉS DE LA INTEGRACIÓN UNITARIA. By José Luis Sampedro, Jean Chardonnet and André Thiéry. Madrid: Estudios Económicos Españoles y Europeos, 1957, 818 p.

Although Spain is at most only on the margin of the efforts being made for European economic integration, the Estudios Económicos Españoles y Europeos, S.A., an organization largely representing business groups, has been responsible for one of the largest series of publications in the field, of which this is Volume VI in the series, "Estudios sobre la Unidad Económica de Europa." The bulk of the book is made up of Professor Sampedro's massive and detailed study of the possible reorganization of European economic activity resulting from European integration.

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It is supplemented by briefer and more general prize-winning studies by Professor Chardonnet, the well-known geographer, and M. Thiéry of Luxembourg.

EUROPE AND ITS BORDERLANDS. By Alan G. Ogilvie. Edinburgh: Nelson, 1957, 340 p. 42/.

An able geographic survey, systematic rather than regional in its treatment, by a leading British geographer who died before the completion of the text.

THE FRENCH NATION: FROM NAPOLEON TO PÉTAIN, 1814–1940. By D. W. Brogan. New York: Harper, 1958, 328 p. $4.50.

A broad and mature narrative of French history, political, cultural and social, from the Restoration to Vichy.

ESPOIR ET PEUR DU SIÈCLE. By Raymond Aron. Paris: Calmann-Lévy, 1957, 367 p. Fr. 850.

Essays, by a leading French writer and commentator, dealing with three French themes: the political Right, Decadence and War.

ORGANIZED BUSINESS IN FRANCE. By Henry W. Ehrmann. Princeton: Princeton University Press, 1957, 514 p. $7.50.

The *grand patronat* is an important force in France. Here it is described, anatomized and analyzed in its relation to French business as a whole, the national economy, politics and, more broadly, the character of French life. Professor Ehrmann, who has been working on this subject for a number of years, draws on personal knowledge as well as a vast array of writings, many of them recondite and unfamiliar. This is a first-rate contribution.

DÉVELOPPEMENT ÉCONOMIQUE ET MOBILITÉ DES TRAVAILLEURS: L'INDIVIDU, LA PROFESSION, LA RÉGION. By Alain Girard with the Collaboration of Pierre Meutey. Paris: Institut National d'Études Démographiques, 1956, 158 p. Fr. 750.

The bulk of this book comprises case studies of successful and unsuccessful efforts to move French workers when factories, mines and railroad operations decline in an area, or move to a new location, or recruit for new installations and operations. The data vary from case to case in quality and quantity so the generalizations that can be drawn from them are limited, but the major examples are of considerable value in themselves.

MIRAGES ET RÉALITÉ. By General Weygand. Paris: Flammarion, 1957, 522 p. Fr. 1250.

This second volume of General Weygand's memoirs (the first and third have already appeared) covers the period between the Armistice of November 1918 and the declaration of war on September 2, 1939. Of interest not only for developments in France but also for French-Polish relations, a field in which the General was active both in 1920 and later.

AU QUAI D'ORSAY AVEC BRIAND ET POINCARÉ, 1913–1926. By Jules Laroche. Paris: Hachette, 1957, 230 p. Fr. 675.

Diplomatic memoirs of the French Foreign Office from the eve of the First World War to Locarno.

LE MOUVEMENT POUJADE. By Stanley Hoffmann and Others. Paris: Colin, 1956, 417 p. Fr. 1250.

A close examination of the origins, motivations, organization and political strengths and weaknesses of the Poujadist movement in France.

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A SHORT HISTORY OF NORWAY. By T. K. Derry. London: Allen and Unwin, 1957, 281 p. 25/. (New York: Macmillan, $5.75.)

A very useful brief history, half of which deals with the last 150 years.

THE PARLIAMENT OF SWEDEN. By Elis Håstad. London: Hansard Society, 1957, 165 p. 15/.

A concise introduction to Sweden's parliamentary institutions.

ADENAUER AND THE NEW GERMANY. By Edgar Alexander. New York: Farrar, Straus, 1957, 300 p. $5.25.

A deservedly appreciative if somewhat undiscriminating appraisal of the Federal Chancellor. (German edition, "Adenauer und das Neue Deutschland," Recklinghausen: Paulus, 1956, 284 p. DM. 12.80.)

DEMOCRACY IN WESTERN GERMANY. By Richard Hiscocks. New York: Oxford University Press, 1957, 324 p. $7.50.

A judicious assessment, by a Canadian historian, of the strengths and weaknesses of the democratic political system in the Federal Republic.

WEST GERMAN LEADERSHIP AND FOREIGN POLICY. Edited by Hans Speier and W. Phillips Davison. Evanston (Ill.): Row, Peterson, 1957, 323 p. $7.00.

This book, sponsored by the RAND Corporation and based on numerous interviews, is a study of the attitudes and outlook of leading groups in West Germany—political figures, businessmen, bureaucrats and trade union officials. The resulting picture is of mixed, worrisome trends together with a rather pragmatic stability.

GERMAN REARMAMENT AND ATOMIC WAR. By Hans Speier. Evanston (Ill.): Row, Peterson, 1957, 272 p. $5.00.

A study, undertaken by the RAND Corporation, of the views of German military and political leaders on the problem of war and German rearmament. It is based largely on some 200 interviews between 1952 and 1955, supplemented by Bundestag records and articles.

WIEDERVEREINIGUNG UND SICHERHEIT DEUTSCHLANDS. By Heinrich von Siegler. Bonn: Siegler, 1957, 186 p. DM. 3.90.

Documents, pronouncements, chronology and discussion relating to the question of German reunification and European security between 1945 and 1956. (An English language edition, "The Reunification and Security of Germany," was issued by the same publisher.)

WÄHLER UND GEWÄHLTE. By Wolfgang Hirsch-Weber and Klaus Schütz. Berlin: Vahlen, 1957, 462 p. DM. 41.

A detailed analysis of the electoral campaign and the voting in the Bundestag elections of September 1953.

PORTRÄT EINER BOLSCHEWISTISCHEN PARTEI. By Carola Stern. Cologne: Verlag für Politik und Wirtschaft, 1957, 367 p. DM. 12.80.

A substantial and scholarly study of the development, function and operation of the S.E.D. in Germany.

DAS GEWISSEN STEHT AUF. Prepared by Annedore Leber. Berlin: Mosaik, 1954, 237 p. DM. 14.80.

DAS GEWISSEN ENTSCHEIDET. Prepared by Annedore Leber. Berlin: Mosaik, 1957, 303 p.

Short sketches of Germans who refused to accept or submit to the Nazi régime,

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who resisted it, and who ultimately were killed for their beliefs. The first volume has been translated as "Conscience in Revolt" (London: Vallentine, 1957, 270 p. 25/; Westport, Conn.: Associated Booksellers, $4.50). The volumes include a remarkable series of photographs, many of them taken during the trials in the Nazi People's Court.

DER MYTHOS VOM DRITTEN REICH. By Jean F. Neurohr. Stuttgart: Cotta, 1957, 286 p. DM. 18.50.

An inquiry into the various intellectual and emotional currents that made up the mythology of German National Socialism. The book was originally drafted some 20 years ago.

MEIN LEBEN. By Erich Raeder. Tübingen: Schlichtenmayer, 1957, 347 p. DM. 16.80.

The second volume of Admiral Raeder's memoirs covers the years from 1935 to the Nuremberg trials.

UNHEARD WITNESS. By Ernst Hanfstaengl. Philadelphia: Lippincott, 1957, 317 p. $4.95.

An occasionally revealing, frequently distasteful but generally superficial sketch of Hitler and his entourage by his onetime associate and favorite pianist.

DAS SAARLAND 1945–1956. By Ludwig Dischler. Hamburg: Forschungsstelle für Völkerrecht und Ausländisches Öffentliches Recht, 1956, 2 v. DM. 20.

DAS SAARLAND 1956–1957. By Ludwig Dischler. Hamburg: Forschungsstelle für Völkerrecht und Ausländisches Öffentliches Recht, 1957, 475 p. DM. 20.

A richly documented study of the Saar and its problems since the end of the Second World War.

THE ITALIAN LABOR MOVEMENT. By Joseph LaPalombara. Ithaca: Cornell University Press, 1957, 192 p. $2.50.

A political scientist from Michigan State condenses and analyzes a great deal of material (including interviews) in this short, readable survey that gives special attention to matters of organization.

PRELUDE TO FRANCO. By Dillwyn F. Ratcliff. New York: Las Americas Publishing Co., 1957, 113 p. $3.50.

A brief study of the dictatorship of Primo de Rivera.

HISTORIA DE LAS INTERNACIONALES EN ESPAÑA. By Maximiano García Venero. Madrid: Ediciones del Movimiento, 1956–1957, 3 v. Ptas. 280.

This ambitious study treats of the impact of the international radical labor movement, socialist and Communist, on Spain: the first volume covers the years 1868–1914, the second, 1914–1936 and the third, the years of the civil war.

PORTUGAL. By J. B. Trend. New York: Praeger, 1958, 218 p. $5.50.

A brief history of which only the last chapter deals with the nineteenth and twentieth centuries.

Eastern Europe and the Soviet Union

RUSSIAN THOUGHT AND POLITICS. Edited by Hugh McLean and Others. Cambridge: Harvard University Press, 1957, 513 p. $7.50.

This volume in the series of Harvard Slavic Studies is appropriately dedicated to Michael Karpovich and comprises some 26 essays dealing with various aspects of the subject from the eighteenth century to the twentieth.

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LENIN ON TRADE UNIONS AND REVOLUTION, 1893–1917. By Thomas Taylor Hammond. New York: Columbia University Press, 1957, 155 p. $3.50.

A monograph, one of the Studies of the Russian Institute of Columbia University, dealing with Lenin's ideas regarding the function and potentialities of trade unions under capitalism, especially in Russia.

THE SOVIET 1956 STATISTICAL HANDBOOK: A COMMENTARY. By Naum Jasny. East Lansing: Michigan State University Press, 1957, 212 p. $4.95.

Dr. Jasny, who has already done much valuable work in trying to get to the reality behind Soviet statistics, here examines and criticizes the data—especially the economic growth rates—in the statistical handbook published in 1956.

UdSSR: UNSER WISSEN ÜBER DIE SOWJETUNION. By Karl Krüger and Others. Berlin: Safari-Verlag, 1957, 615 p. DM. 28.

An extensive, illustrated handbook by a number of German specialists; greatest emphasis is on physical and economic geography, transportation, industry and trade.

THE SOVIET SECRET POLICE. Edited by Simon Wolin and Robert M. Slusser. New York: Praeger (for the Research Program on the U.S.S.R.), 1957, 408 p. $8.00.

This work, based both on published materials and on the experiences of a number of former Soviet citizens, provides the best available account of the history and rôle of this dark sector of the Soviet system.

SOVIET TRANSPORTATION POLICY. By Holland Hunter. Cambridge: Harvard University Press, 1957, 416 p. $8.50.

This volume in the Studies of the Russian Research Center at Harvard deals authoritatively with the development of the Soviet transportation system between 1928 and 1955.

SOVIET EDUCATION. Edited by George L. Kline. New York: Columbia University Press, 1957, 192 p. $3.50.

Nine essays by former Soviet citizens on various aspects of Soviet education, from kindergarten to university.

SOVIET EDUCATION FOR SCIENCE AND TECHNOLOGY. By Alexander G. Korol. Cambridge: Technology Press; and New York: Wiley, 1957, 513 p. $8.50.

An excellent study of Soviet education, especially higher education; particularly good in its awareness of the general institutional setting within which the educational system operates and from which it receives its impetus.

DOCTOR AND PATIENT IN SOVIET RUSSIA. By Mark G. Field. Cambridge: Harvard University Press, 1957, 266 p. $5.00.

A valuable sociological study of the medical profession and medical service in the Soviet Union. As in all fields medicine and its practice are geared to the objectives of the system, with both impressive and appalling consequences.

MANNERHEIM SUOMEN KOHTALOISSA. VALKOINEN KENRAALI 1918–1919. By Erik Heinrichs. Helsinki: Otava, 1957, 404 p. M. 1400.

The first volume, covering the years 1918–19, of what promises to be a thoroughgoing biography of Marshal Mannerheim.

RUDOLF WALDEN. By Einar W. Juva. Helsinki: Söderström, 1957, 640 p. M. 1800.

A first-rate biography of a leading Finnish statesman who, in addition to long

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service as defense minister, represented Finland in three peace negotiations with Russia.

SUOMI VUONNA 1918. By Juhani Paasivirta. Helsinki: Söderström, 1957, 379 p. M. 950.

A detailed scholarly review of the problems facing the newly-founded Finland in 1918.

THE ECONOMICS OF COMMUNIST EASTERN EUROPE. By Nicolas Spulber. Cambridge: Technology Press; and New York: Wiley, 1957, 525 p. $12.50.

A very substantial analysis, making good use of fragmentary and uncertain data, of the Sovietization of the economies of the states of Eastern Europe since 1945. Useful both as a factual handbook and as an assessment.

CZECHOSLOVAKIA. Edited by Vratislav Busek and Nicolas Spulber. New York: Praeger, 1957, 520 p. $10.00.
ROMANIA. Edited by Stephen Fischer-Galati. New York: Praeger, 1957, 399 p. $8.50.
HUNGARY. Edited by Ernst C. Helmreich. New York: Praeger, 1957, 466 p. $8.50.
YUGOSLAVIA. New York: Praeger, 1957, 488 p. $8.50.

These four handbooks—all of them published for the Mid-European Studies Center of the Free Europe Committee—complete the ambitious series, "East-Central Europe under the Communists," under the general editorship of Robert F. Byrnes (earlier volumes on Albania, Bulgaria and Poland were noted here April 1957 and January 1958). While there is, inevitably, a good deal of unevenness in a collaborative venture of this sort, the series as a whole provides a most welcome body of reference material for students in the field.

ALLIED WARTIME DIPLOMACY: A PATTERN IN POLAND. By Edward J. Rozek. New York: Wiley, 1958, 481 p. $6.95.

As the subtitle suggests, this book is concerned with the diplomacy relating to Poland, its frontiers, and the composition of a Polish government in the years of the Second World War and immediately thereafter. Although a good deal of the story is familiar the author has enjoyed access to Stanislaw Mikolajczyk's files, which provide valuable new information on the policy of the Western Powers, the Soviet Union and the Polish government in exile.

POWSTANIE WARSZAWSKIE 1944. By Adam Borkiewicz. Warsaw: Pax, 1957, 746 p. Zl. 95.

The first fully documented account of the ill-fated Warsaw uprising to be published in Poland. In 1945 the author was designated by the Home Army to gather sources for its history. Written in 1948–50, despite harassments from the Communist régime, it could be published only in 1957. The book treats the military side of the uprising and keeps clear of the political issues that were involved.

POLEN UND EUROPA. By Hans Roos. Tübingen: Mohr, 1957, 421 p. DM. 29.40.

A scholarly and well-documented study of Polish foreign policy in the 1930s. The author appropriately distinguishes between the last years of Marshal Pilsudski and the disastrous policy of Colonel Beck.

THE REBIRTH OF THE POLISH REPUBLIC. By Titus Komarnicki. London: Heinemann, 1957, 776 p. 63/.

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A large but somewhat disappointing study of the European diplomacy relating to the re-creation of Poland after the First World War. The author is too uncritically critical of the actions of all the Great Powers and relies too much on the illustrative quotations to develop his points.

TITO ET LA RÉVOLUTION YOUGOSLAVE. By Branko Lazitch. Paris: Fasquelle, 1957, 279 p. Fr. 690.

A critical appraisal, but not contributing much that is new.

DER SIEGREICHE KETZER. By Ernst Halperin. Cologne: Verlag für Politik und Wirtschaft, 1957, 390 p. DM. 15.80.

An exceptionally able and perceptive European correspondent discusses the changing pattern of Soviet-Jugoslav relations since 1948. Tito emerges as a very successful *Apparatchik* but not the symbol of Eastern Europe's future.

BEHIND THE RAPE OF HUNGARY. By François Fejtö. New York: McKay, 1957, 335 p. $5.50.

This discussion of the background to the Hungarian revolt, while written from the outside by a Hungarian socialist, displays an intimate familiarity with the persons and processes that led to the explosion. (A translation of "La Tragédie Hongroise," noted here October 1957.)

THE TRUTH ABOUT HUNGARY. By Herbert Aptheker. New York: Mainstream Publishers, 1957, 256 p. $3.00.

A Communist interpretation of the Hungarian revolution; of clinical interest only.

7 YEARS' SOLITARY. By Edith Bone. New York: Harcourt, 1957, 256 p. $4.50.

Prison memoirs of a Hungarian-born writer and onetime Communist, who spent the years 1949 to 1956 in Hungarian jails as a "British agent."

LA GRÈCE ET LES NATIONS UNIES. By S. Calogéropoulos-Stratis and Others. New York: Manhattan Publishing Co. (for the Société d'Études Internationales d'Athènes and the Carnegie Endowment), 1957, 190 p. $3.00.

A further volume in the series of national studies on international organization, under the auspices of the Carnegie Endowment for International Peace.

BITTER LEMONS. By Lawrence Durrell. New York: Dutton, 1958, 256 p. $3.50.

While not a political tract, Mr. Durrell's impressions of three years in Cyprus, 1953 to 1956, as a teacher, director of public information and poet, are of considerable value in conveying the temper and quality of the island and some of the elusive emotional factors involved in the recent crises.

The British Commonwealth of Nations

DEMOCRACY IN ENGLAND. By Diana Spearman. New York: Macmillan, 1957, 238 p. $6.00.

A scholarly and thoughtful history of the development of democracy in England since the mid-eighteenth century.

AN INTRODUCTION TO BRITISH ECONOMIC STATISTICS. By Ely Devons. New York: Cambridge University Press, 1956, 254 p. $4.00.

A very useful guide to British statistics that tells not only where to find things, but how the data are collected, the limits on their use and their relation to other figures.

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EMPIRE OF THE AIR. By Viscount Templewood (Sir Samuel Hoare). London: Collins, 1957, 319 p. 21/.

An "account of the development of air power and air communications during the first three of his four terms of office as Secretary of State for Air between 1922 and 1929."

THE INDIVISIBLE ISLAND: THE HISTORY OF THE PARTITION OF IRELAND. By Frank Gallagher. New York: Citadel Press, 1957, 316 p. $5.00.

Historical and economic arguments in support of the theme: "to say Partition was necessary is absurd; to maintain it is in every degree unjust."

CANADA: TOMORROW'S GIANT. By Bruce Hutchison. New York: Knopf, 1957, 325 p. $5.00.

A Canadian journalist, the author some 15 years ago of "Canada, the Unknown Country," here reports on the tremendous changes which have taken place throughout his country in recent years, especially the impact of industry and the rapid development of a definite national consciousness.

AUSTRALIA IN WORLD AFFAIRS, 1950–55. Edited by Gordon Greenwood and Norman Harper. Melbourne: Cheshire (for the Australian Institute of International Affairs), 1957, 366 p. 45/. (New York: Institute of Pacific Relations, $6.50.)

A symposium of essays dealing with Australia's postwar position in the international community and in Pacific and Asian affairs.

REFLECTIONS ON AUSTRALIAN FOREIGN POLICY. By F. W. Eggleston. Melbourne: Cheshire (for the Australian Institute of International Affairs), 1957, 216 p. 30/. (New York: Institute of Pacific Relations, $4.50.)

This posthumously published work by an Australian diplomat deals also with Asian and Commonwealth affairs.

The Middle East

DEFENSE OF THE MIDDLE EAST: PROBLEMS OF AMERICAN POLICY. By John C. Campbell. New York: Harper (for the Council on Foreign Relations), 1958, 392 p. $5.00.

A critical study of recent American policy in the Middle East with an analysis of present and future problems. Drawing on the ideas of an expert study group as well as his own research and observation, the author, a former State Department official, pleads for a national strategy in which military, political and economic factors are interwoven in a consistent pattern. His conclusions are well thought out.

WILL THE MIDDLE EAST GO WEST? By Freda Utley. Chicago: Regnery, 1957, 198 p. $3.00.

The main theme of this book by an author well known for her writings on China is the need for the West to come to terms with Arab nationalism and prevent its being won over by the Communists. The "Arab-China parallel" which she draws is not entirely apt but contains a number of interesting points not previously made by others.

ISLAM INFLAMED: A MIDDLE EAST PICTURE. By James Morris. New York: Pantheon, 1957, 326 p. $5.00.

Mr. Morris, who is one of the best of the younger traveling journalists, here takes us on a witty and observant tour of the Middle East. Major emphasis is upon

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current politics and the impact of new ideas, some of which are "like a *bouillabaisse*, all mixed up and fishy."

NOT GUILTY (THE CONSERVATIVE REPLY). By T. E. Utley. London: MacGibbon, 1957, 158 p. 10/6.

A party-political defense of Sir Anthony Eden's policy and the British attack on Egypt.

KURDS, TURKS AND ARABS. By C. J. Edmonds. New York: Oxford University Press, 1957, 457 p. $6.75.

The core of this book is the history of the Mosul dispute between Great Britain and Turkey in the years 1918–1925, when the author was a political officer in the contested territory. It contains, in addition, a good deal of general geographic, historical and cultural information about that part of the Middle East.

A SOLDIER WITH THE ARABS. By Lieutenant-General Sir John Bagot Glubb. New York: Harper, 1958, 458 p. $6.00.

These memoirs of the former Commander of the Arab Legion deal largely with the continuing if intermittent conflict between Israelis and Arabs in the 1940s and 1950s, up to Glubb's abrupt dismissal in 1956. Given the tensions involved in this issue, it is a remarkably even-tempered work.

THE POLITICS OF ISRAEL. By Marver H. Bernstein. Princeton: Princeton University Press, 1957, 360 p. $6.00.

A solid review of Israel's first ten years as an independent state: constitutional questions, party politics, administration, economic planning and development, and local government. The author has served as Consultant to the State Comptroller of Israel.

JORDAN, LEBANON AND SYRIA. By Raphael Patai. New Haven: Human Relations Area Files, 1957, 289 p. $6.50.

A useful annotated bibliography.

South and Southeast Asia

INDIA AND AMERICA: A STUDY OF THEIR RELATIONS. By Phillips Talbot and S. L. Poplai. New York: Harper (for the Council on Foreign Relations), 1958, 200 p. $3.75.

This book is the product of a two-year research program undertaken in cooperation by the Council on Foreign Relations of New York and the Indian Council of World Affairs of New Delhi. It is the authors' conclusion that, although many of the differences between India and America in foreign policy will continue, nevertheless there are important ways in which the two countries can and should work together for mutual benefit.

INDIA: THE AWAKENING GIANT. By W. S. Woytinsky. New York: Harper, 1957, 201 p. $3.75.

A study of the Indian economy and economic development plans. The author doubts the adequacy of present planning and would recommend greater emphasis on education and agriculture.

SPEECHES AND DOCUMENTS ON THE INDIAN CONSTITUTION, 1921–47. Selected by Sir Maurice Gwyer and A. Appadorai. New York: Oxford University Press, 1957, 2 v. $11.95.

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A very useful collection of documents on Indian constitutional history from 1921 to 1947.

OCCASIONAL SPEECHES AND WRITINGS. By S. Radhakrishnan. Delhi: Ministry of Information and Broadcasting, 1957, 403 p. Rs. 6.

The second series of speeches and writings by India's Vice President (the first series was noted here April 1957) covers the year February 1956–February 1957, and includes his addresses in Moscow, Prague and Cracow.

V FOR VINOBA. By B. R. Misra. New York: Longmans, 1957, 67 p. $2.50.

A study of the Bhoodan agrarian movement in India under the inspiration of Vinoba Bhave. (A German edition, "Vinobas Sieg," Frankfurt/Main: Knapp, appeared in 1956.)

EDUCATION IN NEW INDIA. By Humayun Kabir. New York: Harper, 1957, 212 p. $2.75.

A distinguished Indian educator discusses a variety of educational problems and accomplishments in the years since 1947.

PAKISTAN: A POLITICAL STUDY. By Keith Callard. New York: Macmillan (in coöperation with the Institute of Pacific Relations), 1958, 355 p. $6.00.

An able study of politics and parliamentary institutions in Pakistan. While the author does not feel that Pakistan has yet established a working democracy, and that the party system is still to be developed, he believes that democracy has been accepted, at least as an ideal.

SOUTHEAST ASIA AMONG THE WORLD POWERS. By Amry Vandenbosch and Richard A. Butwell. Lexington: University of Kentucky Press, 1957, 336 p. $6.00.

This brief survey is devoted primarily to major political and economic developments since World War II, and to the foreign policies of the newly independent nations of the area. There is also a chapter on United States policy. Descriptive rather than analytical, and based almost entirely on secondary sources, the volume nevertheless provides a competent, up-to-date introduction to postwar Southeast Asia.

VIEW TO THE SOUTHEAST. By Santha Rama Rau. New York: Harper, 1957, 240 p. $3.50.

A sensitive and perceptive Indian writer's narrative of a trip through Southeast Asia. Little on politics or foreign affairs.

INDONESIA'S ECONOMIC STABILIZATION AND DEVELOPMENT. By Benjamin Higgins. New York: Institute of Pacific Relations, 1957, 179 p. $4.00.

A study of short-run and long-run problems of the Indonesian economy and of the policies of the central government undertaken to achieve stabilization and economic development.

THE ASIA WHO'S WHO 1957. Hong Kong: Pan-Asia Newspaper Alliance, 1957, 712 p. (New York: American Library Service, $12.50.)

A reference book covering India, Pakistan, the Far East (including Communist China), Southeast Asia and the Philippines.

The Far East and Pacific Ocean

FAR EASTERN AFFAIRS: NUMBER ONE. Edited by G. F. Hudson. New York: St. Martin's Press, 1958, 145 p. $3.00.

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This second volume of papers published under the auspices of St. Antony's College, Oxford, comprises eight essays on a variety of Far Eastern questions.

600 MILLION CHINESE. By Robert Guillain. New York: Criterion Books, 1957, 310 p. $5.00.

An able French journalist's account of a visit to Communist China in 1955. He witnessed impressive material progress, though less impressive than postwar reconstruction in other countries, but found the atmosphere stifling, and the society an ant hill.

COMMUNIST CHINA TODAY. By Peter S. H. Tang. New York: Praeger, 1957, 536 p. $10.00.

A useful survey, by a former Nationalist diplomat, of the development and operation of the Communist régime in China. Better as a work of description and exposition than as a piece of social analysis.

NO DOGS IN CHINA: A REPORT ON CHINA TODAY. By William Kinmond. New York: Nelson, 1957, 211 p. $4.95.

A Canadian journalist's report on a visit to Communist China in the spring of 1957: life is not gay under the new dispensation.

A HISTORY OF SINO-RUSSIAN RELATIONS. By Tien-fong Cheng. Washington: Public Affairs Press, 1957, 389 p. $6.00.

An extensive history by a former Minister of Education of the Republic of China. The author sees little if any prospect of a break between Moscow and Peking, and feels that a change can come only when the Chinese people are free to express their own wishes.

AGRARIAN POLICIES OF MAINLAND CHINA: A DOCUMENTARY STUDY (1949–1956). By Chao Kuo-chün. Cambridge: Harvard University Press, 1957, 276 p. $3.75.

Documents and commentary on the development of agrarian politics in Communist China.

CHINA IN TRANSITION. Peking: China Reconstructs, 1957, 434 p. (London: Collet's, 10/6.)

A selection of articles from the Chinese Communist magazine *China Reconstructs*. A very revealing and interesting collection—ranging from industrialization to the breeding of decorative goldfish—despite the obvious propagandistic themes.

THE DOUBLE PATRIOTS. By Richard Storry. Boston: Houghton, 1957, 335 p. $5.50.

A significant study of Japanese nationalist associations in the ten years from 1931 to 1941. The rather cryptic title is meant to suggest not a divided loyalty, but rather a climate of ultra-patriotism.

JAPAN'S FINANCE AND TAXATION, 1940–1956. By Saburo Shiomi. New York: Columbia University Press, 1957, 190 p. $6.00.

An able technical study of Japan's wartime and postwar tax system, a system that has undergone sweeping changes.

PANMUNJOM: THE STORY OF THE KOREAN MILITARY ARMISTICE NEGOTIATIONS. By William H. Vatcher, Jr. New York: Praeger, 1958, 322 p. $4.75.

A fairly detailed chronological account of the Korean armistice negotiations

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which went on for two years and 17 days, and 575 regular meetings. The author served as Psychological Warfare Adviser of the Conference.

Africa

LIEUTENANT IN ALGERIA. By Jean-Jacques Servan-Schreiber. New York: Knopf, 1957, 231 p. $3.50.

The author, a leading French journalist and editor of *L'Express,* served for six months as a combat officer in Algeria in 1956. His report, vividly told, is an indictment of French policy, though the evidence is rather more impressionistic and illustrative than documentary. (French original, "Lieutenant en Algérie," Paris: Julliard, 1957.)

LA TRAGÉDIE ALGÉRIENNE. By Raymond Aron. Paris: Plon, 1957, 76 p. Fr. 300.

Notes written in 1956 and 1957, concluding that Algerian independence is the only feasible solution.

LE DRAME ALGÉRIEN ET LA DÉCADENCE FRANÇAISE. By Jacques Soustelle. Paris: Plon, 1957, 71 p. Fr. 300.

A vehement rebuttal of Aron's position, by a former Governor General of Algeria.

WEST AFRICA. By R. J. Harrison Church. New York: Longmans, 1957, 547 p. $8.75.

This volume, in the series "Geographies for Advanced Study," is a very satisfactory physical, economic and social survey of all the West African territories.

THE ASHANTI: A PROUD PEOPLE. By Robert A. Lystad. New Brunswick: Rutgers University Press, 1958, 212 p. $5.00.

An anthropologist's interesting picture of the Ashanti people of Ghana.

Latin America and the West Indies

SEARCH FOR A LATIN AMERICAN POLICY. By Thomas W. Palmer, Jr. Gainesville: University of Florida Press, 1957, 217 p. $4.50.

The author, who died in 1957, undertook in this promising study to appraise the rôle of Latin America in United States foreign policy and to see if he could not find some guide lines for our policy in the future. He argues persuasively that as a country we have given far too little thought or attention to this important area.

CHILE THROUGH EMBASSY WINDOWS: 1939–1953. By Claude G. Bowers. New York: Simon and Schuster, 1958, 375 p. $5.00.

Mr. Bowers, who died in January of this year, was American Ambassador to Chile for 14 years, from 1939 to 1953. This informal narrative, based on personal correspondence, on his extensive diary and his own recollections, provides a useful source for the recent history of Chile, its society and manners, and of its relations with the United States.

O BRASIL E O MUNDO ÁSIO-AFRICANO. By Adolpho Justo Bezerra de Menezes. Rio de Janeiro: Pongetti, 1956, 400 p.

While most of what the author, a Brazilian diplomat, has to say about colonialism and the current temper of the Asian and African peoples is reasonably familiar, he does emphasize the problems of the Portuguese colonies and advances the thesis that Brazil rather than the United States is better suited, in the long run, to provide leadership for the aspirations of the non-European peoples.

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SOURCE MATERIAL

By Ruth Savord

I. DOCUMENTS

Documents may be procured from the following: *United States:* Gov't Printing Office, Superintendent of Documents, Washington 25, D.C. *Great Britain:* British Information Services, 45 Rockefeller Plaza, New York 20. *United Nations, International Court of Justice, United Nations Educational, Scientific and Cultural Org., Food and Agric. Org.:* Columbia University Press, Int. Documents Service, 2966 Broadway, New York 27. *Int. Labor Office:* 1262 New Hampshire Ave., Washington 6, D.C. *European Coal and Steel Community:* 220 Southern Bldg., Washington 5, D.C. Washington imprints are Government Printing Office, and Congressional documents, unless otherwise noted, are for the 85th Congress, 1st Session. London imprints are Her Majesty's Stationery Office, and New York imprints are United Nations, unless otherwise noted.

Africa

Algeria at work. N. Y., French Embassy, Press and Information Service, 1957. 48 p.

Morocco. Rabat, Ministry of Foreign Affairs, 1957. unp.

Ghana, 1957. Accra, Dept. of Information Services, 1957. 48 p.

North and northeast Africa; a selected, annotated list of writings, 1951–1957, comp. by H. F. Conover. Washington, Library of Congress, 1957. 182 p. $1.35.

Agriculture

Credit problems of small farmers in Asia and the Far East. N. Y., 1957. 33 p. (1957. II. F. 2.) 25¢.

Agricultural policies in Europe and North America: price and income policies; second report of the Ministerial Committee for Agriculture and Food, July, 1957. Paris, OEEC, 1957. 439 p. $4.50.

The Main products of the overseas territories: oilseeds. Paris, OEEC, 1957. 333 p. $3.50.

The Market for apples and pears in O.E.E.C. countries. Paris, OEEC, 1957. 50 p. 50¢.

Fourth regional conference (of FAO) for Latin America, Santiago, Chile, November 19–30, 1956. Rome, FAO, 1957. 89 p. $1.00.

The Landless farmer in Latin America; conditions of tenants, share-farmers and similar categories of semi-independent and independent agricultural workers in Latin America. Geneva, International Labour Office, 1957. 117 p. (Studies and Reports, New Series 47.) $1.00.

Atomic Energy

The Nature of radioactive fallout and its effects on man. Hearings, Special Subcommittee on Radiation, Joint Committee on Atomic Energy, May 27–Je. 7, 1957. Washington, 1957. 2 pts.

——. Summary analysis of hearings, Aug. 1957. Washington, 1957. 19 p. (Jt. com. print.)

Survey of legislation on security safeguards and anti-subversive measures in the field of atomic energy in Belgium, Denmark, France, Germany, Greece, Italy, Luxemburg, Netherlands, Norway, Turkey; reports and studies, ed. by E. C. Jann. Washington, Library of Congress, 1957. 100 p.

Australia

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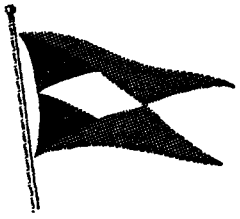

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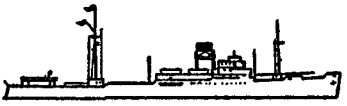

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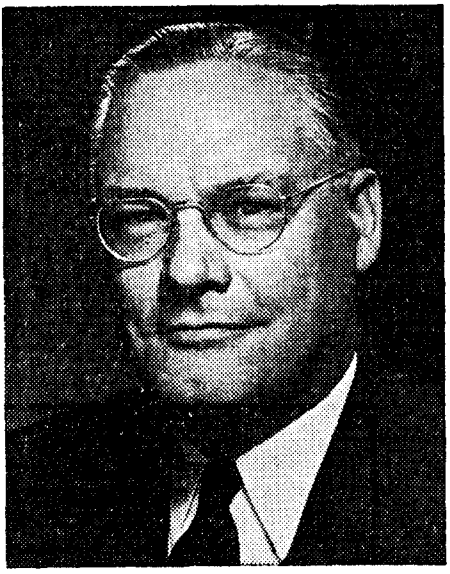

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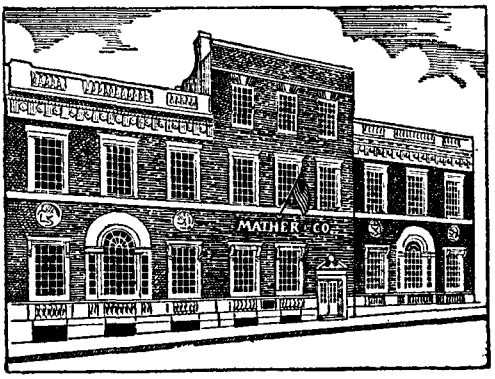

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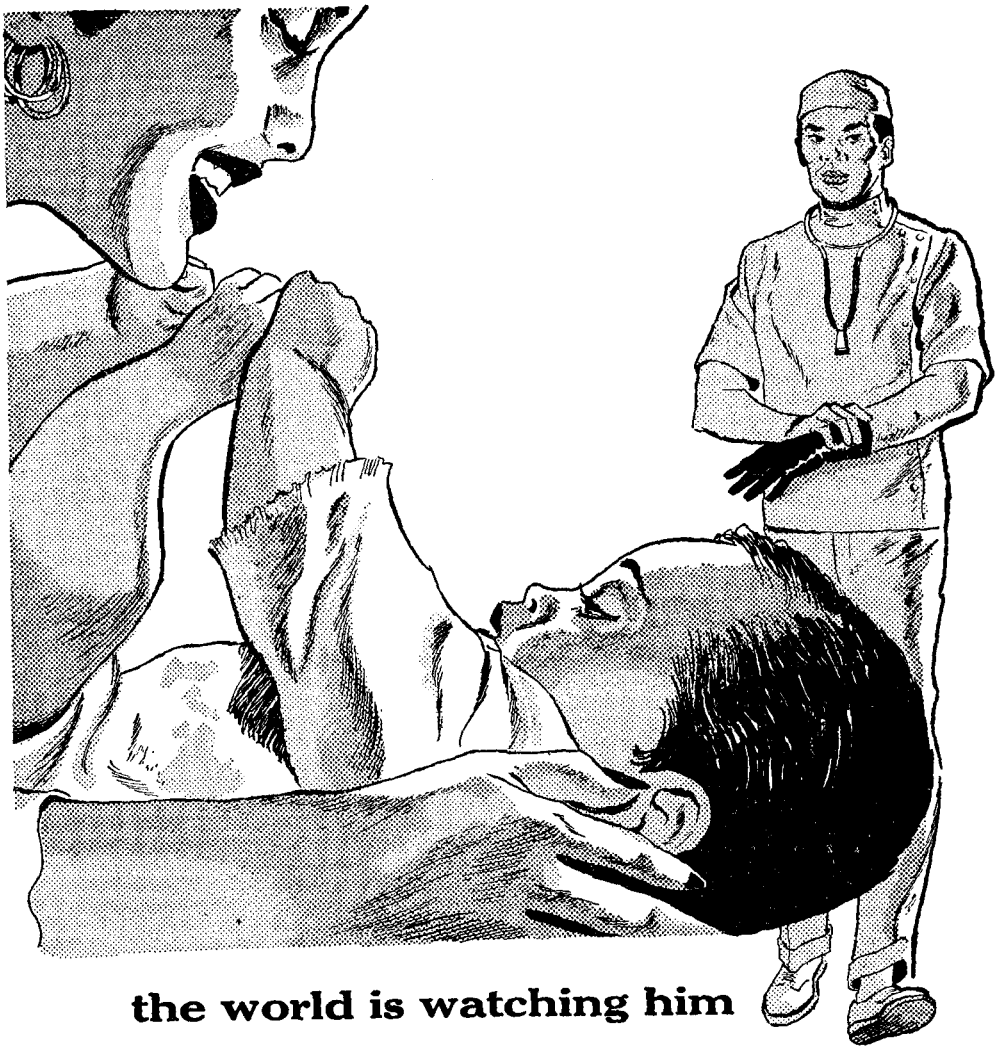

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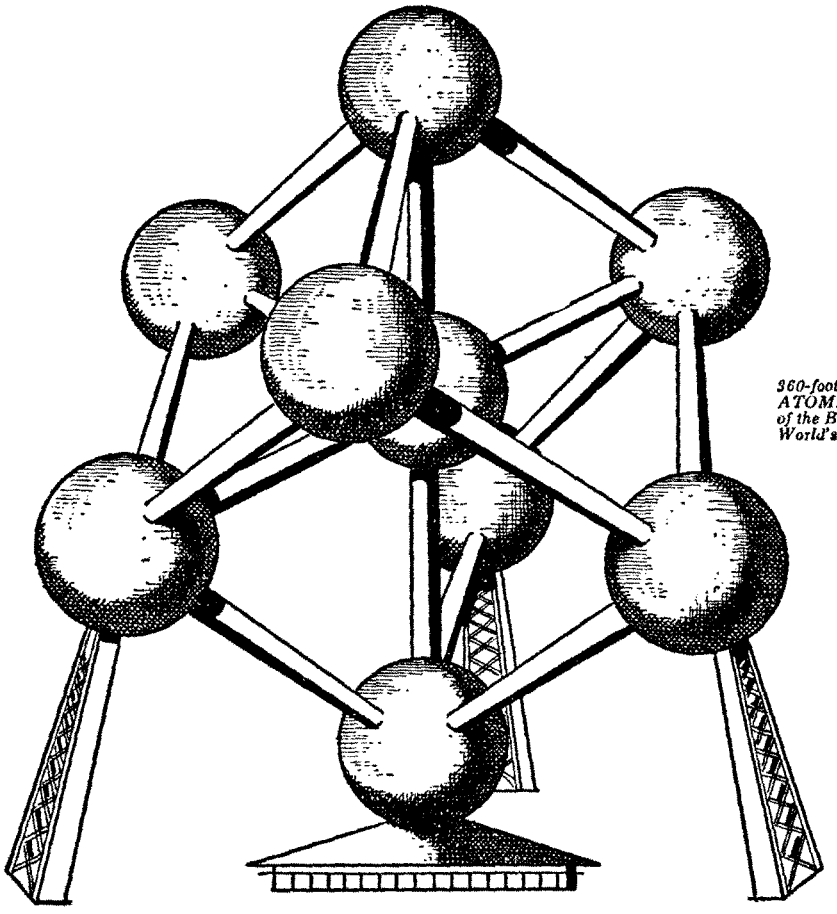

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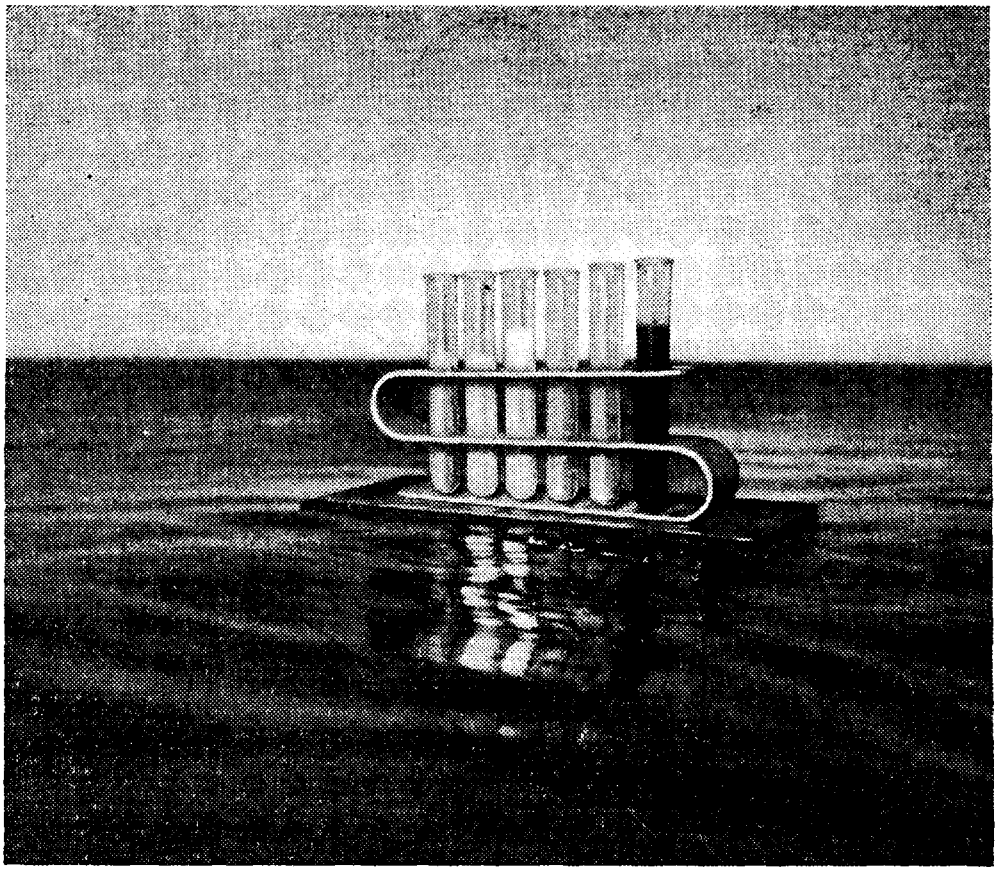

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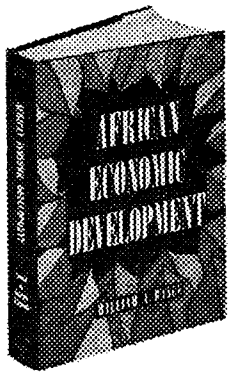

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